



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

August 13, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 AUGUST 13, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**FIVE-YEAR LEASE AMENDMENT
INTERNAL SERVICES DEPARTMENT
1400 SOUTH GRAND AVENUE, SANTA ANA
ALL DISTRICTS
(3 VOTES)**

SUBJECT

This is a joint recommendation with Internal Services Department for a proposed five-year lease amendment for the continued use of 4,801 square feet of data center space for the Internal Services Department's Local Recovery Center at the Orange County Santa Ana Data Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign a five-year lease amendment with the County of Orange (Lessor), for the continued use of approximately 4,801 useable square feet of data center space and four surface parking spaces for the Internal Services Department (Lessee) Local Recovery Center, at the initial annual base rent of \$781,224, plus the annual cost of separately metered electricity estimated to be \$216,931, based upon the Lessee's actual cost of electricity for the previous twelve months ending March 2013. The lease costs will be 100 percent offset by income received from Lessee's customer computer utilization rates.
3. Approve the project and authorize the Chief Executive Officer and the Director of Internal Services

to implement the project. The lease amendment will be effective upon approval by the Orange County Board of Supervisors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since November 1, 2005, the facility located at 1400 South Grand Avenue, in the City of Santa Ana, County of Orange, has been utilized to house the Internal Services Department (ISD) Local Recovery Center (LRC) as an emergency contingency site for the County of Los Angeles primary data center located at 9150 Imperial Highway, Downey. A 2004 independent analysis that incorporated FEMA data determined that in all probability no single seismic event would render both data centers inoperable.

The LRC provides the County of Los Angeles the ability to restore critical computer systems operating in the Downey facility in the event of a disaster. The premises provide space for ISD-owned equipment including computer servers and storage, network routers and switches, internet, and external connections, as well as redundancy for Voice over IP and centralized emergency contact centers.

Orange County technical staff performs the routine maintenance pursuant to a separate service agreement, while ISD staff operates the premises in the event of a disaster. Workspace for up to ten staff is provided although staff is not permanently located at the premises.

The premises originally contained 1,791 square feet and was expanded to 2,422 square feet effective February 1, 2008, via the expansion right provided in the lease approved by the Board on June 21, 2005. The lease was later amended and approved by the Board on August 18, 2009, to expand the premises further to contain the current 4,801 square feet. The proposed amendment will provide ISD uninterrupted use of this essential facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Fiscal Sustainability (Goal 2) directs that we strengthen the County's capacity to sustain essential County services through proactive and prudent fiscal policies and stewardship. The proposed lease supports this goal with an essential facility to continue housing the LRC as an emergency contingency site for the County of Los Angeles primary data center as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The initial annual lease cost will be \$781,224, plus the annual cost of separately metered electricity estimated to be \$216,931, based on Lessee's actual cost of electricity for the previous twelve months ending in March 2013. The lease costs reflect an increase of \$14,400 or \$3.00 per square foot from the previous lease term.

Sufficient funding for the proposed lease amendment is included in the Fiscal Year (FY) 2013-14 Rent Expense budget and will be charged back to ISD. ISD has sufficient funding in its FY 2013-14 operating budget to cover the projected lease costs. All costs associated with the proposed amendment are offset 100 percent by customer utilization rates. Attachment B is an overview of the lease changes.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amendment provides the County of Los Angeles uninterrupted use of an alternate data center facility of sufficient distance to the main data center in the event of a disaster in the greater Los Angeles area. The amendment provides the following:

- A five-year lease term commencing December 1, 2013, and ending November 30, 2018.
- A monthly base rent of \$65,102 that will remain fixed throughout the five-year lease term with four non-exclusive surface parking spaces included in the rent.
- A Lessee right to lease additional space within 30 days of Lessor's notice.
- Pursuant to the existing lease, as amended, a modified-gross lease structure with separately metered electricity paid by the Lessee and a mutual option to terminate the lease at any time upon 180 days prior written notice.
- Two one-year renewal options exercisable by the Chief Executive Officer upon 60 days prior written notice.

The Chief Executive Office (CEO) Real Estate Division staff surveyed the County of Los Angeles area specified by ISD. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. A Building Description Report is not provided as there are no County-owned or leased facilities currently available to accommodate this program. Based upon a market survey of similar properties throughout the County of Los Angeles, staff has determined that the base rental range including parking for similar properties is between \$180 and \$220 per square foot per year modified full-service gross. Thus, the base annual rent of \$163 per square foot provided in the proposed amendment represents a market rental rate slightly below the range.

The Department of Public Works inspected the premises for seismic safety and has no objection for occupancy by the County. The premises are part of a high security data center facility and are not an appropriate site to operate a child care center. No tenant improvements will be provided as part of this amendment.

CEO, ISD, and the Chief Information Office (CIO) are continuing their efforts to identify a County-owned Disaster Recovery Data Center (DRDC) site within the County of Los Angeles. If a site is selected, the CEO will exercise the option to terminate the lease with 180 days prior written notice. Sufficient time will be provided for ISD to transition operations from the LRC to the DRDC.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed amendment will allow ISD to continue uninterrupted use of the LRC. ISD concurs with the proposed recommendation. The CIO has reviewed this Board

letter and recommends approval. It determined that because this recommended action simply amends the existing lease agreement with the County of Orange and does not constitute a technology related acquisition, a formal CIO Analysis is not required.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two original leases and two certified copies of the Minute Order and adopted stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



TOM TINDALL
Director

WTF:TT:CMM
CEM:MM:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Chief Information Office
Internal Services

**INTERNAL SERVICES DEPARTMENT
1400 SOUTH GRAND AVENUE, SANTA ANA**

Asset Management Principles Compliance Form¹

| | | | | | |
|---|------------------------------------|---|------------|-----------|------------|
| 1. | <u>Occupancy</u> | | Yes | No | N/A |
| | A | Does lease consolidate administrative functions? ² | | | X |
| | B | Does lease co-locate with other functions to better serve clients? ² | | | X |
| | C | Does this lease centralize business support functions? ² | | | X |
| | D | Does this lease meet the guideline of 200 sq. ft of space per person? ² | | | X |
| 2. | <u>Capital</u> | | | | |
| | A | Is it a substantial net County cost (NCC) program? 100% NCC. The lease costs will be 100 percent offset by income received from ISD customer computer utilization rates. | X | | |
| | B | Is this a long term County program? | | | X |
| | C | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy? | | | X |
| | D | If no, are there any suitable County-owned facilities available? | | X | |
| | E | If yes, why is lease being recommended over occupancy in County-owned space? | | | X |
| | F | Is Building Description Report attached as Attachment C? | | X | |
| | G | Was build-to-suit or capital project considered? ² The building is a special use facility, and is available at a competitive market rate. | | X | |
| 3. | <u>Portfolio Management</u> | | | | |
| | A | Did department utilize CEO Space Request Evaluation (SRE)? | X | | |
| | B | Was the space need justified? | X | | |
| | C | If a renewal lease, was co-location with other County departments considered? | | | X |
| | D | Why was this program not co-located? | | | X |
| | | 1. ____ The program clientele requires a "stand alone" facility. | | | |
| | | 2. <u>X</u> No suitable County occupied properties in project area. | | | |
| | | 3. ____ No County-owned facilities available for the project. | | | |
| | | 4. ____ Could not get City clearance or approval. | | | |
| | | 5. ____ The Program is being co-located. | | | |
| | E | Is lease a full service lease? ² Pursuant to the existing lease, the Lessee will remain responsible for separately metered electricity. | | X | |
| | F | Has growth projection been considered in space request? | X | | |
| | G | Has the Dept. of Public Works completed seismic review/approval? | X | | |
| ¹ As approved by the Board of Supervisors 11/17/98 | | | | | |
| ² If not, why not? | | | | | |

**FISCAL IMPACT/FINANCING
OVERVIEW OF LEASE CHANGES**

| 1400 SOUTH GRAND AVENUE | EXISTING LEASE AS AMENDED | PROPOSED AMENDMENT | CHANGE |
|--------------------------------|---|---|--------------------------------|
| Area (Square feet) | 4,801 | 4,801 | None |
| Term | 12/01/09-11/30/13 | 12/01/13-11/30/18 | +Five years |
| Annual Base Rent* | \$766,824 (\$159.72/sq. ft., net electricity) | \$781,224 (\$162.72/sq. ft., net electricity) | + \$14,400 + \$3.00/sq. ft. |
| Options to Extend Term | One two-year option | Two one-year options | None |
| Cancellation | At any time after November 30, 2010, upon 180 days notice | At any time after November 30, 2010, upon 180 days notice | None |
| Parking (included in rent) | Four | Four | None |
| Annual Base Rental Adjustment | None | None | None |
| Expansion Right | Right of first refusal | Right of first refusal | None |

*Base rent includes 24/7/365 security, facility engineers, and remote services.



RDMD/RLS/CEO-07-007

Data Center – County of Los Angeles

1400 S. Grand Avenue, Rooms 122 – 124

Santa Ana, CA 92705

FOURTH AMENDMENT TO LEASE

THIS IS A FOURTH AMENDMENT TO LEASE (“**Fourth Amendment**”) made _____, 2013, by and between the County of Orange, a political subdivision of the State of California, (hereinafter referred to as “**COUNTY**”) and the County of Los Angeles (hereinafter referred to as “**LESSEE**”), without regard to number and gender.

RECITALS

- I. Pursuant to a lease dated July 26, 2005 (“**Lease**”), COUNTY leases to LESSEE a portion of the building at 1400 North Grand Avenue, Santa Ana, California (the “**County Data Center**”), which space is more particularly described on Exhibit “A” and Exhibit “B” of the Lease.
- II. The parties executed a First Amendment to Lease on February 5, 2008 (“**First Amendment**”), to expand the Premises by 588 useable square feet (u.s.f.) from 1,791 u.s.f. to a total of 2,379 u.s.f., which space is more particularly described on Revised Exhibit “A” and Revised Exhibit “B” of the First Amendment.
- III. The parties executed a Second Amendment to Lease (“**Second Amendment**”) on November 24, 2009, to expand the Premises by adding 2,422 u.s.f. for a total of 4,801 u.s.f., which space is more particularly described on Revised Exhibit “A-2” and Revised Exhibit “B-2” of the Second Amendment, and to convert the lease terms to modified gross by requiring LESSEE to reimburse COUNTY for its separately metered electrical use.
- IV. The parties executed a Third Amendment to Lease (“**Third Amendment**”) on March 15, 2011, to extend the term of the Lease through November 30, 2013.
- V. LESSEE now desires to extend the term of the Lease for an additional five (5) years through November 30, 2018.

//

//

//

VI. COUNTY and LESSEE are willing to enter into this Fourth Amendment to extend the term through November 30, 2018, on the terms and conditions, below.

NOW THEREFORE, COUNTY and LESSEE do hereby agree that effective December 1, 2013, the Lease shall be amended as follows:

A. Clause 7. TERM (AM 2.3 N) is deleted from the Lease and the following is substituted:

"7. TERM (AM 2.3 N)

The term of this Lease commenced on November 1, 2005 ("**Commencement Date**"), and will terminate on November 30, 2018."

B. Clause 8. OPTION TO EXTEND TERM (N) is deleted from the Lease and the following is substituted:

"8. OPTION TO EXTEND TERM (N)

LESSEE shall have the option to extend the term of this Lease after November 30, 2018 for two additional one (1) year periods, on the same terms and conditions, except at a future negotiated rental rate. Notification of said exercise of option shall be made in writing from LESSEE by letter from LESSEE's Chief Executive Office to COUNTY at least sixty (60) days prior to the Lease termination date."

C. Clause 10. LESSEE'S RIGHT TO LEASE ADDITIONAL SPACE (AMC 2.5 S) is deleted from the Lease and the following is substituted:

D. "10. LESSEE'S RIGHT TO LEASE ADDITIONAL SPACE (AMC 2.5 N)

Throughout the original lease term and any renewal or extension thereof, COUNTY may elect to offer LESSEE the right to lease up to 9,000 square feet of additional space in the County Data Center. LESSEE's right shall extend for a period of thirty (30) days following LESSEE's receipt of COUNTY's written notice of the availability of said space. LESSEE's occupancy of said space shall be subject to the terms and conditions of this Lease and rental for said space shall be determined by COUNTY based on the location and condition of the floor space offered and LESSEE-required power and improvements to said space. The Parties agree to execute an amendment to this Lease to more fully set out the new terms and description of said space."

1 E. Clause 11 RENT (AMC 1.1 S) is deleted from the Lease and the following is substituted:

2
3 "11. RENT (AMC 1.1 N)

4
5 LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which
6 shall be payable monthly in advance on the first day of each month so long as tenancy continues.
7 In the event the obligation to pay rent terminates on some date other than the last day of the
8 month, the rent shall be prorated to reflect the actual period of tenancy and shall be paid on the
9 first day of the following month.

| <u>Commencing</u> | <u>Monthly Rental</u> |
|-------------------|-----------------------|
| November 1, 2005 | \$21,205.00 |
| December 1, 2007 | \$28,167.00 |
| November 1, 2008 | \$35,209.00 |
| December 1, 2009 | \$63,902.00 |
| December 1, 2013 | \$65,102.00 |

17
18 Payment of Rent. Rent payments shall be made in accordance with the provisions of the Clause
19 entitled RENT PAYMENT PROCEDURE of this Lease."

20
21 F. Clause 16. UTILITIES (AM6.1 N) is deleted from the Lease and the following is substituted:

22
23 "16. UTILITIES (AM6.1 N)

24
25 COUNTY shall be responsible for and pay all utility services supplied to the Premises.
26 LESSEE's actual electrical usage shall be calculated and reimbursed by LESSEE to COUNTY.
27 COUNTY and LESSEE agree that LESSEE's electrical usage will be calculated according to the
28 following formula:

29
30
$$\text{Monthly Reimbursement} = (\text{Monthly KWH used}) \times (\text{Current average monthly KWH cost})$$

31
32 The current average KWH cost ("**KWH Cost**") is \$0.12 per KWH. Said KWH Cost will increase
33 if the California Public Utilities Commission authorizes a rate increase that increases the cost to
34 COUNTY as determined by COUNTY. COUNTY will provide thirty (30) days advance notice of
35 said KWH Cost increase.

36 //

37 //

COUNTY shall provide written monthly readings to LESSEE for each reimbursement requested. LESSEE shall have the right to verify said readings or be present for said readings. Said reimbursement for electrical services shall be paid in addition to the rent specified in the clause entitled RENT, and shall be payable in the same manner as with the rent payment for the subsequent month for which the meter readings are provided.

The total power draw for LESSEE's use shall not exceed 200 KW of uninterrupted power supply ("UPS") supported power without COUNTY's prior written approval. LESSEE may draw up to an additional 150 KW of non-UPS supported, generator backed-up power without COUNTY's prior written approval.

Should COUNTY elect to add additional conditioned power and cooling capacity to the County Data Center, COUNTY may elect to offer LESSEE up to 350KW of additional conditioned power or unconditioned power with generator backup and associated cooling. If LESSEE accepts COUNTY's offer for additional power, the cost for LESSEE's use of said additional power will be reimbursed to COUNTY under the terms and rate as specified in this Clause 16."

G. Wherever a conflict in the terms or conditions of this Fourth Amendment and the Lease exists, the terms or conditions of this Fourth Amendment shall prevail.

H. In all other respects, the terms and conditions of Lease not specifically changed by the First Amendment, Second Amendment, Third Amendment, or this Fourth Amendment shall remain in full force and effect.

//

//

//

//

//

//

//

//

//

//

//

//

//

//

1 IN WITNESS WHEREOF, the parties have executed this Fourth Amendment the day and year first
2 above written.

3
4 APPROVED AS TO FORM:
5 COUNTY COUNSEL.

LESSEE

COUNTY OF LOS ANGELES
MARK RIDLEY-THOMAS, Chairman, Board of
Supervisors

8 BY: _____
9 Deputy

BY: _____

11 DATE: _____

12
13 RECOMMENDED FOR APPROVAL:

APPROVED AS TO FORM:
JOHN F. KRATTLI

15 County Executive Office/Information Technology

County Counsel, County of Los Angeles

18 BY: _____

BY:  _____
Deputy

20 County Executive Office/Corporate Real Estate

ATTEST:
Sachi A. Hamai
Executive Officer-Clerk of the Board of
Supervisors, County of Los Angeles

23 BY: _____
24 John Beck, Administrative Manager

26 SIGNED AND CERTIFIED THAT A COPY OF
27 THIS DOCUMENT HAS BEEN DELIVERED TO
28 THE CHAIR OF THE BOARD OF
29 SUPERVISORS PER GC § 25103, RESO. 79-1535

BY: _____
Deputy

31 ATTEST:

COUNTY

COUNTY OF ORANGE

34 SUSAN NOVAK
35 Clerk of the Board of Supervisors
36 of Orange County, California

BY: _____
Chair, Board of Supervisors
Orange County, California



RDMD/RLS/CEO-07-007

Data Center – County of Los Angeles

1400 S. Grand Avenue, Rooms 122 – 124

Santa Ana, CA 92705

THIRD AMENDMENT TO LEASE

THIS IS A THIRD AMENDMENT TO LEASE (“Third Amendment”) made MARCH 15, 2011, ~~2010~~, by and between the County of Orange, a political subdivision of the State of California, (hereinafter referred to as “COUNTY”) and the County of Los Angeles, (hereinafter referred to as “LESSEE”) without regard to number and gender. The term “COUNTY” shall mean the Board of Supervisors of the County of Orange that executed this agreement or its authorized representative.

RECITALS

- I. Pursuant to a lease dated July 26, 2005, (“Lease”) COUNTY leased to LESSEE 1,791 useable square feet (u.s.f.) in the building located at 1400 South Grand Avenue, Santa Ana, California (the “County Data Center”), which space is more particularly described on Exhibits “A” and “B” of the Lease.
- II. The parties executed a First Amendment to Lease (“First Amendment”) on February 5, 2008 (“First Amendment”), to expand the Premises by adding 588 u.s.f. to a total of 2,379 u.s.f., which space is more particularly described on Revised Exhibits “A” and “B” of the First Amendment.
- III. The parties executed a Second Amendment to Lease (“Second Amendment”) on November 24, 2009, to expand the Premises by adding 2,422 u.s.f. to a total of 4,801 u.s.f., which space is more particularly described on Revised Exhibits “A-2” and “B-2” of the Second Amendment, and to convert the lease terms to modified gross by requiring LESSEE to reimburse COUNTY for its separately metered electrical use.
- IV. LESSEE now desires to exercise its Option to Extend Term, pursuant to Clause 8 of the Lease, for two (2) additional years.
- V. COUNTY and LESSEE are willing to enter into this Third Amendment to extend the Lease term through November 30, 2013.

//

//

1 NOW THEREFORE, COUNTY and LESSEE do hereby agree that effective the first day of the first full
2 month following the effective the date of this Third Amendment ("Third Amendment Date"), to amend
3 the Lease as follows:

4
5 A. Clause 7. TERM (AM 2.3 N) is deleted from the Lease and the following is substituted:

6
7 "7. TERM (AM 2.3 N)

8
9 The term of this Lease commenced on November 1, 2005, and will terminate on November 30,
10 2013."

11
12 B. Wherever a conflict in the terms or conditions of this Third Amendment and the Lease exists, the
13 terms or conditions of this Third Amendment shall prevail.

14
15 C. In all other respects, the terms and conditions of Lease not specifically changed by the First
16 Amendment, Second Amendment or this Third Amendment shall remain in full force and effect.

17 //

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

29 //

30 //

31 //

32 //

33 //

34 //

35 //

36 //

37 //

1 **IN WITNESS WHEREOF**, the parties have executed this Third Amendment the day and year first
2 above written.

3
4 APPROVED AS TO FORM:
5 COUNTY COUNSEL

6
7 BY: Thomas A. Miller
8 Deputy

9 DATE: 12/1/10

10
11
12 RECOMMENDED FOR APPROVAL:
13
14 County Executive Office/Information Technology

15
16
17 BY: [Signature]

18
19 OC Public Works/OC Facilities/Real Estate and
20 Asset Management

21
22
23 BY: [Signature]
24 Corporate Real Estate

25
26 SIGNED AND CERTIFIED THAT A COPY OF
27 THIS DOCUMENT HAS BEEN DELIVERED TO
28 THE CHAIR OF THE BOARD OF
29 SUPERVISORS PER GC § 25103, RESO. 79-1535

30
31 ATTEST:

32
33 [Signature]
34 DARLENE J. BLOOM
35 Clerk of the Board of Supervisors
36 of Orange County, California
37

LESSEE

COUNTY OF LOS ANGELES
WILLIAM T. FUJIOKA
Chief Executive Officer

BY: [Signature]

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel

BY: [Signature]
Amy M. Caves
Senior Deputy County Counsel

ATTEST:
COUNTY OF LOS ANGELES
DEAN C. LOGAN
Registrar Recorder/County Clerk

BY: [Signature]
Deputy

COUNTY

COUNTY OF ORANGE

BY: Bill Capbell
Chair, Board of Supervisors
Orange County, California





RDMD/RLS/CEO-07-007

Data Center – County of Los Angeles

1400 S. Grand Avenue, Rooms 122 – 124

Santa Ana, CA 92705

SECOND AMENDMENT TO LEASE

THIS IS A SECOND AMENDMENT TO LEASE (“Second Amendment”) made November
24th, 2009, by and between the County of Orange, a political subdivision of the State of
 California, (hereinafter referred to as “COUNTY”) and the County of Los Angeles, (hereinafter referred
 to as “LESSEE”) without regard to number and gender. The term “COUNTY” shall mean the Board of
 Supervisors of the political body that executed this agreement or its authorized representative.

RECITALS

- I. Pursuant to a lease dated July 26, 2005, (“Lease”) COUNTY leases to LESSEE a portion of the building at 1400 North Grand Avenue, Santa Ana, California (the “County Data Center”), which space is more particularly described on Exhibits “A” and “B” of the Lease.
- II. The parties executed a First Amendment to Lease on February 5, 2008 (“First Amendment”), to expand the Premises by 588 useable square feet from 1,791 useable square feet (u.s.f.) to a total of 2,379 u.s.f., which space is more particularly described on Revised Exhibits “A” and “B” of the First Amendment.
- III. The three-year Lease term expired on November 1, 2008, and LESSEE currently occupies the Premises pursuant to the holdover provisions of the Lease.
- IV. LESSEE now desires to extend the term of the Lease and to expand the Premises into additional 2,422 u.s.f. of space contiguous to the Premises for a total of 4,801 u.s.f.
- V. The electricity to the Premises is separately metered and LESSEE’s electrical cost has been found to substantially exceed COUNTY estimates that were the basis of the full service gross rental rate under the Lease. COUNTY has already received notice of additional electrical rate increases and LESSEE desires to reimburse COUNTY for all charges incurred on behalf of LESSEE.

//

//

//

1 VI. COUNTY and LESSEE are willing to enter into this Second Amendment to increase the Premises to
2 4,801 u.s.f. on a modified gross basis in which LESSEE will reimburse COUNTY for its actual share
3 of separately metered electrical usage.
4

5 NOW THEREFORE, COUNTY and LESSEE do hereby agree that effective the first day of the first full
6 month following the effective the date of this Second Amendment ("Second Amendment Date"), to
7 amend the Lease as follows:
8

9 A. Clause 7. TERM (AM 2.3 N) is deleted from the Lease and the following is substituted:
10

11 "7. TERM (AM 2.3 N)
12

13 The term of this Lease commenced on November 1, 2005, and will terminate on November 30,
14 2011."
15

16 B. Clause 8. OPTION TO EXTEND TERM (N) is deleted from the Lease and the following is
17 substituted:
18

19 "8. OPTION TO EXTEND TERM (N)
20

21 LESSEE shall have the option to extend the term of this Lease for one additional two (2) year
22 period, on the same terms and conditions, except at a future negotiated rental rate. Notification
23 of said exercise of option shall be made in writing from LESSEE by letter from LESSEE's Chief
24 Executive Office to COUNTY at least sixty (60) days prior to the Lease termination date."
25
26

27 C. Clause 9. OPTION TO TERMINATE LEASE (AM 3.1N) is deleted from the Lease and the following
28 is substituted:
29

30 "9. OPTION TO TERMINATE LEASE (AM 3.1N)
31

32 COUNTY or LESSEE shall have the option to terminate this Lease at anytime after November 30,
33 2010, by giving the other party at least one hundred eighty (180) days prior written notice.
34

35 LESSEE agrees that at termination of the Lease, LESSEE will remove all LESSEE-owned
36 equipment, furniture, and other items, and that the Premises shall be left in as good condition as
37 when received, reasonable wear and tear excepted."

1 D. Clause 10 LESSEE'S RIGHT TO LEASE4 ADDITIONAL SPACE (AMC 2.5 S) is deleted from the
2 Lease and the following is substituted:

3
4 "10. LESSEE'S RIGHT TO LEASE4 ADDITIONAL SPACE (AMC 2.5 S)

5
6 Throughout the original lease term and any renewal or extension thereof, should additional space
7 become available within COUNTY's building or property, either as a result of the termination of
8 occupancy of another building tenant, or construction by COUNTY of additional space onto
9 COUNTY's building, LESSEE shall have the right of first refusal to lease such additional space.
10 LESSEE's right of first refusal shall extend for a period of ten (10) days following LESSEE's
11 receipt of COUNTY's written notice of the availability of said space. LESSEE's occupancy of
12 said space shall be subject to the terms and conditions of this Lease and rental for said space shall
13 be based on COUNTY's then effective rental rate for leased space in the Data Center."

14
15
16 E. Clause 11 RENT (AMC 1.1 S) is deleted from the Lease and the following is substituted:

17
18 "11. RENT (AMC 1.1 N)

19
20 LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which
21 shall be payable monthly in advance on the first day of each month so long as tenancy continues.
22 In the event the obligation to pay rent terminates on some date other than the last day of the
23 month, the rent shall be prorated to reflect the actual period of tenancy and shall be paid on the
24 first day of the following month.

25

| <u>Commencing</u> | <u>Monthly Rental</u> |
|-------------------|-----------------------|
| November 1, 2005 | \$21,205.00 |
| December 1, 2007 | \$28,167.00 |
| November 1, 2008 | \$35,209.00 |
| December 1, 2009 | \$63,902.00 |

30
31
32
33 Payment of Rent. Rent payments shall be made in accordance with the provisions of the Clause
34 entitled RENT PAYMENT PROCEDURE of this Lease."

35 //

36 //

37 //

1 F. Clause 16. UTILITIES (AM6.1 N) is deleted from the Lease and the following is substituted:

2
3 "16. UTILITIES (AM6.1 N)

4
5 COUNTY shall be responsible for and pay, prior to the delinquency date, all utility services
6 supplied to the Premises, except for electrical which shall be calculated and reimbursed by
7 LESSEE to COUNTY. COUNTY and LESSEE agree that LESSEE's electrical usage will be
8 calculated according to the following formula:

9
10
$$\text{Monthly Reimbursement} = (\text{Monthly KWH used}) \times (\text{Current Average monthly KWH Cost})$$

11
12 The Current Average KWH Cost ("KWH Cost") is \$0.11 per KWH. Said KWH Cost will increase
13 if the California Public Utilities Commission authorizes a rate increase that increases the cost to
14 COUNTY as determined by COUNTY. COUNTY will provide thirty (30) days advance notice of
15 said KWH Cost increase.

16
17 COUNTY shall provide written monthly readings to LESSEE for each reimbursement requested.
18 LESSEE shall have the right to verify said readings or be present for said readings. Said
19 reimbursement for electrical services shall be paid in addition to the rent specified in the clause
20 entitled RENT and shall be payable in the same manner as rent with the rent payment for the
21 subsequent month that the meter readings are provided.

22
23 The total power draw for LESSEE's use shall not exceed 200 KW of uninterrupted power supply
24 ("UPS") supported power without COUNTY's prior written approval. LESSEE may draw up to an
25 additional 150 KW of non-UPS supported, generator backed-up, power without COUNTY's prior
26 written approval."

27
28 G. Clause 24 ATTACHMENTS (8.2 S) is deleted from the Lease and the following is substituted:

29
30 "24. ATTACHMENTS (8.2 S)

31
32 This Lease includes the following, which are attached hereto and made a part hereof:

33 I. GENERAL CONDITIONS

34 II. EXHIBITS

35 Revised Exhibit A-2. Description - Premises
36 Revised Exhibit B-2. Plot Plan - Premises
37 Exhibit C. Plans and Specifications"

1 H. "Revised Exhibit A. Description – Premises" is deleted from the Lease and the attached "Revised
2 Exhibit A-2. Description – Premises" is substituted. All references to "Exhibit A" in the Lease are
3 hereby amended to refer to "Revised Exhibit A-2."
4

5 I. "Revised Exhibit B. Plot Plan – Premises" is deleted from the Lease and the attached "Revised
6 Exhibit B-2. Plot Plan – Premises" is substituted. All references to "Exhibit B" in the Lease are
7 hereby amended to refer to "Revised Exhibit B-2."
8

9 J. Wherever a conflict in the terms or conditions of this Second Amendment and the Lease exists, the
10 terms or conditions of this Second Amendment shall prevail.
11

12 K. In all other respects, the terms and conditions of Lease not specifically changed by the First
13 Amendment or this Second Amendment shall remain in full force and effect.
14 //

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

29 //

30 //

31 //

32 //

33 //

34 //

35 //

36 //

37 //

1 IN WITNESS WHEREOF, the parties have executed this Second Amendment the day and year first
2 above written.

3
4 APPROVED AS TO FORM:
5 COUNTY COUNSEL

6
7
8 BY: _____

9 Deputy

10
11 DATE: 11/13/09

LESSEE

COUNTY OF LOS ANGELES
a body politic and corporate

12
13
14 BY: _____

Chair, Los Angeles County

15
16 RECOMMENDED FOR APPROVAL:

County Executive Office/Information Technology

17
18
19 BY: _____

20
21 OC Public Works/OC Facilities/Real Estate and
22 Asset Management

23
24 BY: _____

25 Corporate Real Estate

APPROVED AS TO FORM:

Robert E. Kalunian

Acting County Counsel

26
27 BY: _____

Amy M. Caves

Deputy County Counsel

ATTEST:

Sachi A. Hamai

Executive Officer-Clerk

of the Board of Supervisors

28
29 BY: _____

Deputy

30 SIGNED AND CERTIFIED THAT A COPY OF
31 THIS DOCUMENT HAS BEEN DELIVERED TO
32 THE CHAIR OF THE BOARD OF SUPERVISORS
33 PER GC § 25103, RESO. 79-1535

34
35 ATTEST:

36 DARLENE J. BLOOM

37 Clerk of the Board of Supervisors
of Orange County, California

COUNTY

COUNTY OF ORANGE

BY: _____

Chair, Board of Supervisors
Orange County, California



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#14

NOV 10 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

REVISED EXHIBIT A-2

LEASE DESCRIPTION (10.1 S)

PROJECT NO: RDMD/RLS/CEO-07-007 DATE: October 21, 2009

PROJECT: Data Center – County of Los Angeles VERIFIED BY: John Beck

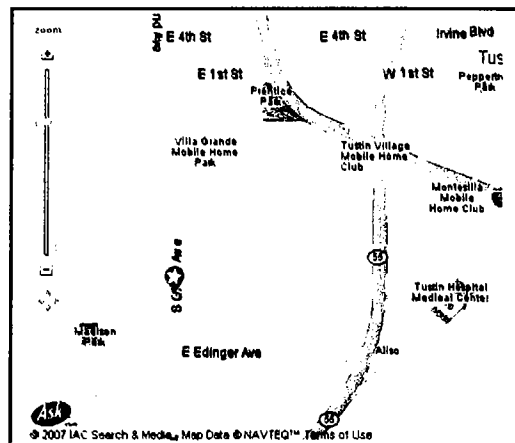
All the Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part hereof, being a portion of that certain building located at 1400 S. Grand Avenue, Room 122, Room 123 and Room 124, in the City of Santa Ana, County of Orange, State of California, comprising approximately 4,801 usable square feet, as measured by COUNTY and verified by LESSEE.

NOT TO BE RECORDED

REVISED EXHIBIT B-2

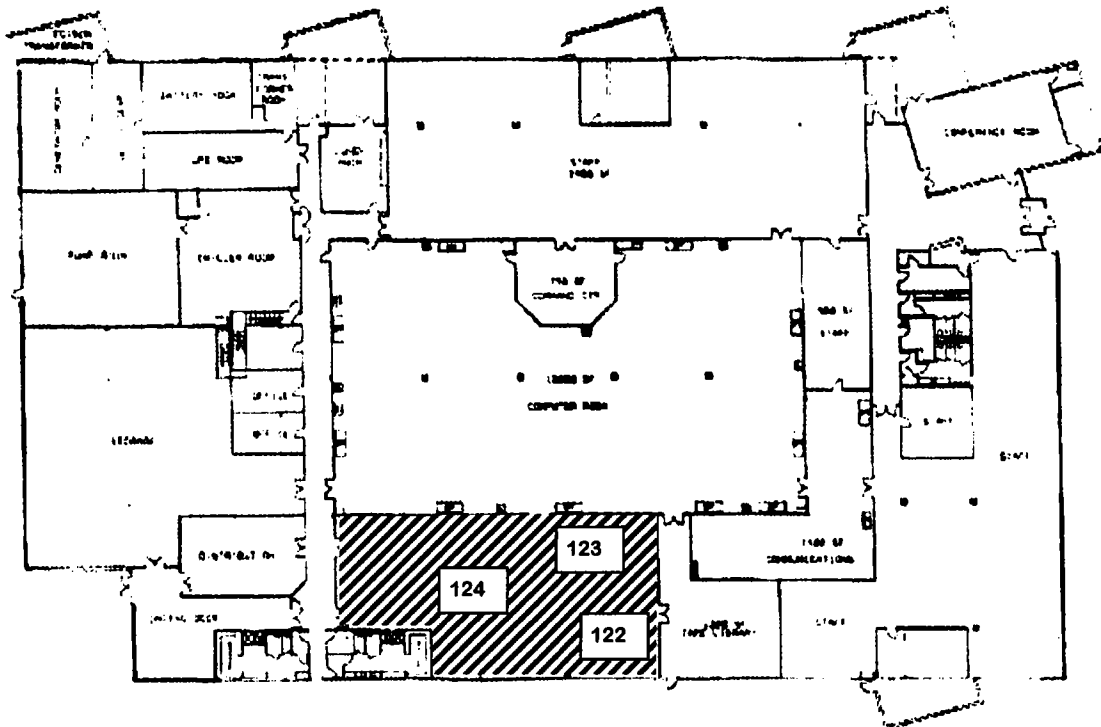


LOCATION MAP



COUNTY DATA CENTER

MC FADDEN AVENUE



GRAND AVENUE

RDMD/RLS/CC-07-007

Data Center – County of Los Angeles
1400 S. Grand Avenue #122-124

Santa Ana, CA 92705

Prepared By: John Beck

Checked By:

Date:

10/21/2009

COUNTY OF ORANGE



COUNTY EXECUTIVE OFFICE

ORANGE COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

November 24, 2009

Submitting Agency/Department: County Executive Office

Approve amendment 2 to lease agreement with Los Angeles for increase in space at Data Center; and make California Environmental Quality Act findings - All Districts

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED ☒ OTHER ☐

Unanimous ☐ (1) NGUYEN: Y (2) MOORLACH: Y (3) CAMPBELL: Y (4) NORBY: X (5) BATES: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

- ☐ Resolution(s)
- ☐ Ordinances(s)
- ☒ Contract(s)

Item No. 25

Special Notes:

Copies sent to:

CEO
CEO/IT – Paula Kielich
County of Los Angeles

12/2/09



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Orange County, State of California.
DARLENE J. BLOOM, Clerk of the Board

By: _____

Deputy

**AGENDA STAFF REPORT**

ASR Control 09-001925

MEETING DATE: 11/24/09
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office (Approved)
DEPARTMENT CONTACT PERSON(S): KC Roestenberg - (714) 567.5075
Paula Kielich - (714) 834.7144

SUBJECT: Amendment #2 to LA County Data Center Lease

CEO CONCUR
Concur**COUNTY COUNSEL REVIEW**
Approved Agreement to Form**CLERK OF THE BOARD**
Consent Calendar
3 Votes Board Majority

Budgeted: N/A**Current Year Cost:** N/A**Annual Cost:** N/A**Staffing Impact:** No**# of Positions:****Sole Source:** N/A**Current Fiscal Year Revenue:** Estimated \$862,976**Funding Source:** N/A**Prior Board Action:** July 26, 2005, February 5, 2008

RECOMMENDED ACTION(S):

1. Find that the proposed project is Categorically Exempt from CEQA per Section 15301, Class 1 of the CEQA guidelines.
2. Approve and execute the original and 3 duplicate copies of the Second Amendment to Lease Agreement RDMD/RLS/CEO-07-007 with the County of Los Angeles.

SUMMARY:

Approval of Second Amendment to Lease with the County of Los Angeles at the Orange County Data Center, which will add 2,422 rentable square feet of raised floor space to the area currently leased by Los Angeles County.

BACKGROUND INFORMATION:

The County of Los Angeles (LA County) currently leases 2,379 usable square feet of space at the Orange County Data Center at 1400 S. Grand, Santa Ana. The space is used as a data and network Local Recovery Center. The lease term expired and LA County currently occupies the space pursuant to the holdover provisions of the lease.

The current Amendment is a result of a request from LA County to add approximately 2,422 usable square feet adjacent to the space currently occupied by LA County through November 30, 2011.

In order to ensure recovery of electrical costs, CEO/IT staff worked with OCPW/Corporate Real Estate to restructure the terms of the lease from a full service gross basis (fsg) with all expenses included, to a modified gross (mg) basis in which LA County will now reimburse for the actual cost of its electrical usage on a monthly basis, in addition to a fixed base rent. The proposed base rent will be \$13.31 mg per square foot, per month throughout the term. Including the electrical usage reimbursement estimate of \$7.13 per square foot per month, the effective new rental rate for the current year will be approximately \$20.44 per square foot per month.

The revenue for the additional rented space and the current space under the restructured terms will result in an annual rent increase from the current \$422,508 to \$766,824. In addition, the County will be reimbursed approximately \$410,774 per year for electrical usage.

The agreement with LA County has provisions for one additional (2) year period at a re-negotiated rate.

Legal Requirements

The use conforms to the General Plan of the City of Santa Ana and project is Categorically Exempt (Class 1) from CEQA per Section 15301 of the CEQA Guidelines. The proposed project conforms to the Americans with Disabilities Act.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

OCPW/Corporate Real Estate
CEO/Risk Management

ATTACHMENT(S):

Amendment #2 to LA County Data Center Lease (Signed by LA County 11-10-09)



RDMD/RLS/CEO-07-007
Data Center – County of Los Angeles
1400 S. Grand Avenue
Santa Ana, CA 92705

FIRST AMENDMENT TO LEASE

THIS IS A FIRST AMENDMENT TO LEASE, hereinafter referred to as "First Amendment to Lease," made February 5, 2008, by and between the County of Orange, hereinafter referred to as "COUNTY," without regard to number and gender, and the County of Los Angeles, hereinafter referred to as "LESSEE," without regard to number and gender. The term "COUNTY" shall mean the Board of Supervisors of the political body that executed this agreement or its authorized representative.

RECITALS

- I. Pursuant to a lease dated July 26, 2005, ("Lease") COUNTY leases to LESSEE a portion of the building at 1400 North Grand Avenue, Santa Ana, California, which space is more particularly described on "Exhibits A and B" of the Lease.
- II. LESSEE is in need of additional space and, pursuant to the clause entitled LESSEE'S RIGHT TO LEASE ADDITIONAL SPACE of the Lease, COUNTY has offered a first right of refusal on additional space and LESSEE has accepted the offer.
- III. COUNTY and LESSEE are willing to amend the Lease to add approximately 588 square feet to the Premises for the remainder of the term.

NOW THEREFORE, COUNTY and LESSEE do hereby agree that effective February 1, 2008, to amend the Lease as follows:

- A. Clause 2. PREMISES (AM 1.3 S) is deleted from the Lease and the following is substituted:

"2. PREMISES (AM 1.3 S)

COUNTY leases to LESSEE that certain property herein referred to as "Premises," described in "Revised Exhibit A" and shown on "Revised Exhibit B," which exhibits are attached hereto and by reference made a part hereof.

//

//

//

COUNTY JB LESSEE af

1 B. Clause 7. TERM (AM 2.3 N) is deleted from the Lease and the following is substituted:

2 "7. TERM (AM 2.3 N)

3 The term of this lease shall be three (3) years, commencing November 1, 2005, and ending
4 October 31, 2008."

5
6 C. Clause 8. OPTION TO EXTEND TERM (N) is deleted from the Lease and the following is
7 substituted:

8 "8. OPTION TO EXTEND TERM (N)

9 LESSEE shall have the option to extend the term of this Lease for two additional one (1) year
10 periods, on the same terms and conditions, at the monthly rental that appears in the clause
11 entitled RENT of this Lease. Notification of said exercise of option shall be made in writing
12 from LESSEE to COUNTY at least sixty (60) days prior to the Lease termination date."

13
14 D. Clause 11 RENT (AMC 1.1 S) is deleted from the Lease and the following is substituted:

15 "11. RENT (AMC 1.1 S)

16 LESSEE agrees to pay the following monthly rent in accordance with the schedule below,
17 which shall be payable monthly in advance on the first day of each month so long as tenancy
18 continues. In the event the obligation to pay rent terminates on some date other than the last
19 day of the month, the rent shall be prorated to reflect the actual period of tenancy and shall be
20 paid on the first day of the following month.

| | <u>Commencing</u> | <u>Monthly Rental</u> |
|----------------------------|-------------------|-----------------------|
| <u>Commencing:</u> | November 1, 2005 | \$21,205.00 |
| <u>Commencing:</u> | February 1, 2008 | \$28,167.00 |
| <u>First Option Term:</u> | November 1, 2008 | \$35,209.00 |
| <u>Second Option Term:</u> | November 1, 2009 | \$35,209.00 |

31
32 Payment of Rent. Rent payments shall be made in accordance with the provisions of the Clause
33 entitled RENT PAYMENT PROCEDURE of this Lease.

34 //
35 //
36 //
37 //

COUNTY JS

LESSEE [Signature]

1 E. Clause 24 ATTACHMENTS (8.2 S) is deleted from the Lease and the following is substituted:

2 "24. ATTACHMENTS (8.2 S)

3 This Lease includes the following, which are attached hereto and made a part hereof:

4 I. GENERAL CONDITIONS

5 II. EXHIBITS

6 Revised Exhibit A. Description - Premises

7 Revised Exhibit B. Plot Plan - Premises

8 Exhibit C. Plans and Specifications"

9
10 F. "Exhibit A. Description – Premises" is deleted from the Lease and the attached "Revised Exhibit A"
11 is substituted.

12
13 G. "Exhibit B. Plot Plan – Premises" is deleted from the Lease and the attached "Revised Exhibit B" is
14 substituted.

15
16 Wherever a conflict in the terms or conditions of this First Amendment to Lease and the Lease exists,
17 the terms or conditions of this First Amendment to Lease shall prevail. In all other respects, the terms
18 and conditions of Lease not specifically changed by this First Amendment to Lease shall remain in full
19 force and effect.

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

29 //

30 //

31 //

32 //

33 //

34 //

35 //

36 //

37 //

1 IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above
2 written.

3
4 APPROVED AS TO FORM:
5 COUNTY COUNSEL

LESSEE

County of Los Angeles

6
7
8 BY: Thomas A. Miller
9 Deputy

ATTEST:
CONNY B McCORMACK
Registrar-Recorder/County Clerk

10
11 DATE: 11/30/17

12 BY: [Signature]
13 Deputy

14 RECOMMENDED FOR APPROVAL:

APPROVED AS TO FORM:

15
16 County Executive Office/Information Technology

Raymond G. Fortner, Jr.
County Counsel

17
18 BY: Nancy Garafalo

19 BY: Stephanie Brody
20 Stephanie Brody

21 Resources and Development Management
22 Department

Senior Associate County Counsel

23
24 BY: [Signature]
25 Asset Management and Real Estate

COUNTY OF LOS ANGELES
WILLIAM FUJIOKA
Chief Executive Officer

26
27 BY: [Signature]

28 SIGNED AND CERTIFIED THAT A
29 COPY OF THIS DOCUMENT HAS BEEN
30 DELIVERED TO THE CHAIRMAN OF
31 THE BOARD.



COUNTY

COUNTY OF ORANGE

32
33
34 [Signature]
35 DARLENE J. BLOOM
36 Clerk of the Board of Supervisors
37 of Orange County, California

BY: [Signature]
Chairman, Board of Supervisors

1
2 **REVISED EXHIBIT A**
3

4
5 **LEASE DESCRIPTION (10.1 S)**
6

7
8 PROJECT NO: RDMD/RLS/CEO-07-007

DATE: September 27, 2007

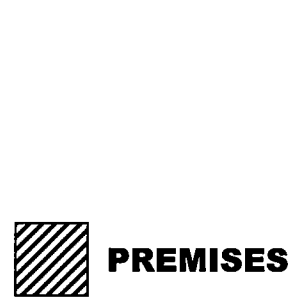
9
10 PROJECT: Data Center – County of Los Angeles

VERIFIED BY: John Beck

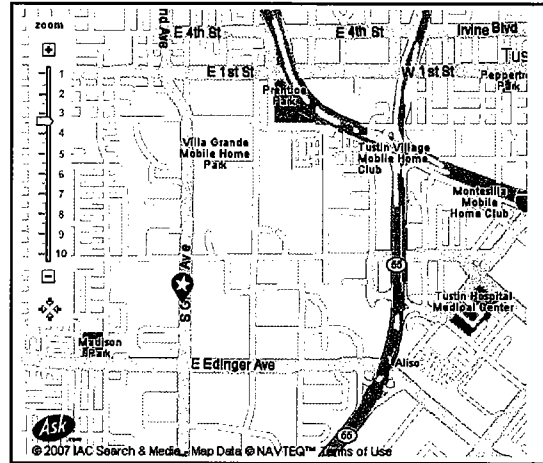
11
12
13 All the Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part
14 hereof, being a portion of the f that certain building located at 1400 S. Grand Avenue, Room 122, Room
15 123 and Room 124, in the City of Santa Ana, County of Orange, State of California, comprising
16 approximately Two Thousand Three Hundred Seventy-Nine (2,379) square feet, as measured by
17 COUNTY and verified by LESSEE.
18
19
20

21 **NOT TO BE RECORDED**
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

REVISED EXHIBIT B

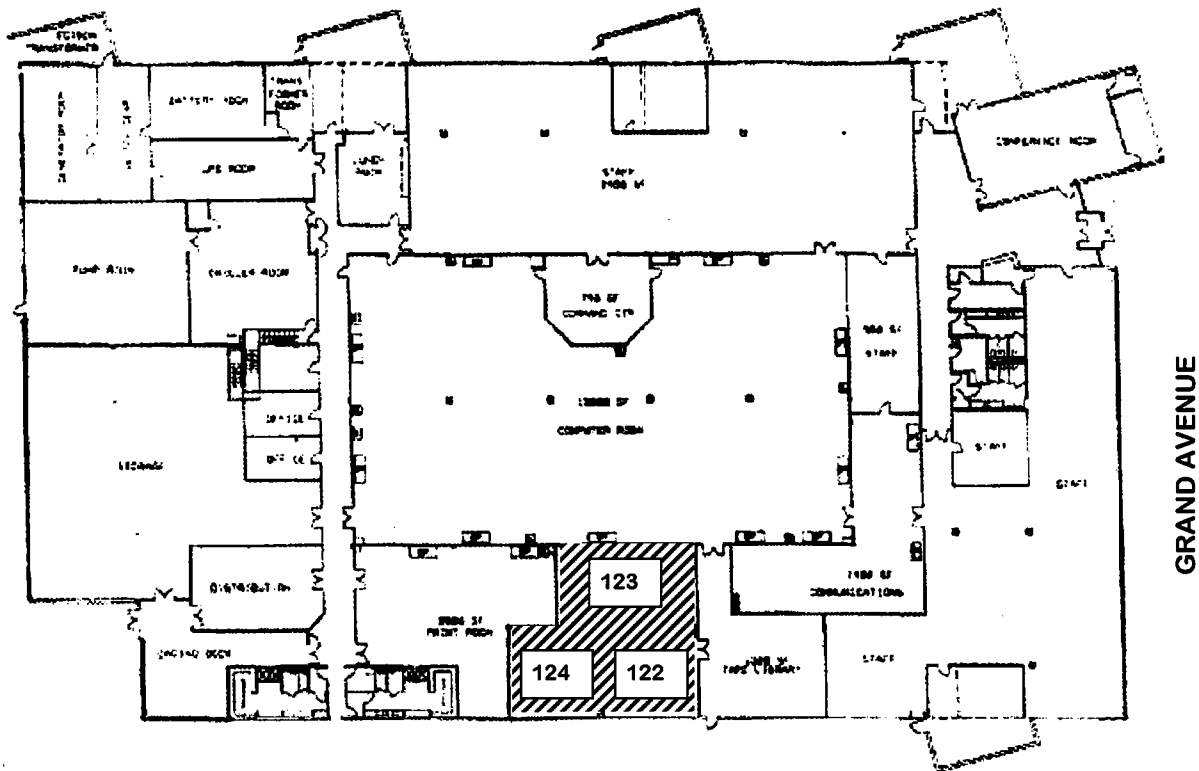


LOCATION MAP



COUNTY DATA CENTER

MC FADDEN AVENUE



RDMD/RLS/CC-07-007

Data Center – County of Los Angeles
1400 S. Grand Avenue #122-124

Santa Ana, CA 92705

Prepared By: John Beck

Checked By:

Date:

11/7/2007

COUNTY OF ORANGE

COUNTY EXECUTIVE OFFICE

Enterprise Data Center
1400 S. Grand Avenue
L.A. County Lease
CEO/AML/CEO-05-017

LEASE

This LEASE ("Lease") is made July 26, 2005 by and between the County of Orange, hereinafter referred to as "COUNTY," and the County of Los Angeles, hereinafter referred to as "LESSEE," without regard to number and gender. The term "COUNTY" shall mean the Board of Supervisors of the political body that executed this agreement or its authorized representative.

1. DEFINITIONS (AM1.2 S)

The following words in this Lease have the significance attached to them in this clause unless otherwise apparent from context:

"Board of Supervisors" means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

"County Executive Officer" means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

"Auditor-Controller" means the Auditor-Controller, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

"Manager of CEO/Real Estate" means the Manager, County Executive Office, Real Estate, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

"CEO/Real Estate" means the County Executive Office, Real Estate of the County of Orange, or designee, or upon written notice to LESSEE, such other entity as shall be designated by the County Executive Officer or the Board of Supervisors.

"Internal Audit Department" means the Internal Audit Department, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

2. PREMISES (AM1.3 S)

COUNTY leases to LESSEE that certain property known as Room 122 and Room 123 in the County of Orange Enterprise Data Center, 1400 South Grand Avenue, City of Santa Ana, County of Orange, containing approximately One Thousand Seven Hundred Ninety One (1,791) square feet hereinafter referred to as "Premises," described in "Exhibit A" and shown on "Exhibit B" (Plot Plan) and "Exhibit C" (Space Plan), which exhibits are attached hereto and by reference made a part hereof.

//

1 3. PARKING (N)

3 COUNTY, throughout the term of this Lease, shall provide four (4) parking spaces for LESSEE's free and in-
5 common, non-exclusive use, twenty-four (24) hours per day, in the parking lot located adjacent to the Premises.

7 4. TERMINATION OF PRIOR AGREEMENTS (AM1.4 N)

9 It is mutually agreed that this Lease shall terminate and supersede any prior leases or written or oral agreements
between the parties hereto covering all or any portion of the Premises.

11 5. LIMITATION OF THE LEASEHOLD (AM1.5 S)

13 This Lease and the rights and privileges granted LESSEE in and to the Premises are subject to all covenants,
15 conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document
related hereto shall be construed to imply the conveyance to LESSEE of rights in the Premises which exceed
17 those owned by COUNTY, or any representation or warranty, either express or implied, relating to the nature or
condition of the Premises or COUNTY's interest therein. LESSEE acknowledges that LESSEE has conducted a
19 complete and adequate investigation of the Premises and that LESSEE has accepted the Premises in its "as is"
condition prior to the completion of tenant improvements referred to as the "Work" in Clause
(CONSTRUCTION/TENANT IMPROVEMENTS) of this Lease.

21 6. USE (N)

- 23 A. LESSEE's use of the Premises shall be limited to installation, operation, and maintenance of data and
25 network services equipment for the County of Los Angeles. LESSEE agrees not to use the Premises for
any other purpose nor to engage in or permit any other activity within or from the Premises. LESSEE
27 agrees not to conduct or permit to be conducted any public or private nuisance in, on, or from the
Premises, or to commit or permit to be committed any waste within the Premises.
- 29 B. LESSEE will have access to and non-exclusive use of common areas such as walkways, parking area,
31 lunchrooms, restrooms, break rooms, loading facilities, and lobby. Conference rooms will be available
subject to availability and existing scheduling procedures.
- 33 C. The Enterprise Data Center is a secure facility and access to the Premises is possible via security badge
35 only. The COUNTY will issue to LESSEE all necessary security badges and retains the right to limit the
number of security badges issued and approve/disapprove issuance of badges to individuals. LESSEE will
37 be required to pay Twenty-Five Dollars (\$25.00) to COUNTY for any replacement security badge.
- 39 D. Temporary Closure: LESSEE acknowledges that the COUNTY may need to temporarily shut down the
Enterprise Data Center and its systems periodically for routine maintenance or unexpected repairs.
41 COUNTY will provide LESSEE with reasonable written notification should a shut down become
necessary unless an emergency circumstance prevents such notification.
- 43 E. The operation of the County of Los Angeles Disaster Recovery Program will require an unspecified
45 number of telephone, data, and internet access lines. LESSEE shall be responsible for all costs associated
with the installation, maintenance, and use of all telephone, data, and internet access lines used in the
47

operation of the County of Los Angeles Disaster Recovery Program. Monthly rates for these services will be approved by the Orange County Board of Supervisors and charged to LESSEE on a monthly basis.

NO TOBACCO PRODUCTS, BEER, WINE, OR OTHER INTOXICATING BEVERAGES SHALL BE SOLD OR CONSUMED FROM OR ON THE PREMISES.

7. TERM (AM2.3 N)

The term of this Lease shall be three (3) years, commencing the first day of the first full calendar month following the date of execution of this Lease by COUNTY, or commencing the first day of the first full calendar month following completion by COUNTY of the work set out in the clause entitled (CONSTRUCTION), of this Lease, whichever date is later. The parties agree that the Commencement Date will be confirmed in writing by either party upon demand by the other.

8. OPTION TO EXTEND TERM (N)

LESSEE shall have the option to extend the term of this Lease for two additional one (1) year periods, on the same terms and conditions, at the monthly rent of Twenty Six Thousand Five Hundred Seven Dollars (\$26,507.00). Notification of said exercise of option shall be made in writing from LESSEE to COUNTY at least sixty (60) days prior to the Lease termination date.

9. OPTION TO TERMINATE LEASE (AM3.1N)

COUNTY or LESSEE shall have the option to terminate this Lease at anytime during the term by giving the other at least ninety (90) days prior written notice.

Should COUNTY exercise said option, LESSEE may, within thirty (30) days after the Lease termination date, make a claim for reimbursement of the unamortized cost of LESSEE-required improvements. The amount of said reimbursement shall be determined as follows:

Reimbursement Amount = $\frac{1}{36}$ of the final tenant improvement/build-out cost x [Thirty Six (36) Months less the number of months of lease term elapsed]

If no claim is received by COUNTY within said thirty (30)-day period, LESSEE's right to reimbursement shall be deemed waived. COUNTY shall have sixty (60) days after receipt of the claim by LESSEE to pay said claim.

Should COUNTY incur additional costs for improvements, upgrades, modifications, equipment purchases, and other items as requested and required by the LESSEE after the initial build-out and occupancy, the LESSEE shall reimburse the COUNTY for those costs not yet recovered by COUNTY in rent payments.

LESSEE agrees that at termination of the lease, LESSEE will remove all LESSEE-owned equipment, furniture, and other items and the Premises shall be left in as good condition as when received, reasonable wear and tear excepted.

//

10. LESSEE'S RIGHT TO LEASE ADDITIONAL SPACE (2.5 S)

Throughout the original lease term and any renewal or extension thereof, should additional space become available within COUNTY's building or property, either as a result of the termination of occupancy of another building tenant, or construction by COUNTY of additional space onto COUNTY's building, LESSEE shall have the right of first refusal to lease such additional space. LESSEE's right of first refusal shall extend for a period of sixty (60) days following LESSEE's receipt of COUNTY's written notice of the availability of said space. LESSEE's occupancy of said space shall be subject to the terms and conditions of this Lease and rental for said space shall be based upon the rental rate which LESSEE is paying for the Premises at the time LESSEE's occupancy of the additional space commences.

11. RENT (AMC 1.1 S)

LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which shall be payable monthly in advance on the first day of each month so long as tenancy continues. Said rent shall commence on the date LESSEE occupies the Premises or the first day of the first month of the lease term, whichever occurs earlier. In the event the obligation to pay rent commences on some date other than the first of the month or terminates on some date other than the last day of the month, the rent shall be prorated to reflect the actual period of tenancy and shall be paid on the first day of the following month.

| <u>Months</u> | <u>Monthly Rent</u> |
|---------------|---------------------|
| 1-12 | \$21,205.00 |
| 13-24 | \$21,205.00 |
| 25-36 | \$21,205.00 |

Should LESSEE exercise its option to extend the term of this Lease for one or two additional one (1) year periods LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which shall be payable monthly in advance on the first day of each month so long as tenancy continues.

| <u>Months</u> | <u>Monthly Rent</u> |
|---------------|---------------------|
| 37-48 | \$26,507.00 |
| 49-60 | \$26,507.00 |

Payment of Rent. Rent payments shall be made in accordance with the provisions of the Clause (RENT PAYMENT PROCEDURE) of this Lease.

12. RENT PAYMENT PROCEDURE (AMC 6.4 S)

Rent payments shall be delivered to the County of Orange, Office of the Auditor-Controller, P.O. Box 567 (630 N. Broadway), Santa Ana, California 92702. COUNTY may change the designated place of payment at any time upon sixty (60) days written notice to LESSEE. Rent payments shall be made by

check payable to the County of Orange. LESSEE assumes all risk of loss if payments are made by mail.

All sums due under this Lease shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by LESSEE or receipt by COUNTY of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and COUNTY shall accept such check or payment without prejudice to COUNTY's right to recover the balance of the amount due or pursue any other remedy in this Lease.

13. CONSTRUCTION AND/OR ALTERATION BY LESSEE (AM5.1 S)

COUNTY's Consent. No structures, improvements, or facilities shall be constructed, erected, altered, or made and no business fixtures or equipment shall be installed within the Premises without prior written consent of the Manager of CEO/Real Estate, which consent shall not be unreasonably withheld or delayed. Any conditions relating to the manner, method, design, and construction of said structures, improvements, or facilities fixed by the Manager of CEO/Real Estate as a condition to granting such consent, shall be conditions hereof as though originally stated herein.

14. CONSTRUCTION / TENANT IMPROVEMENTS (4.1 S)

COUNTY hereby agrees to complete, at LESSEE's expense, within ninety (90) calendar days after the date first written above, alterations, repairs, and other work (the "Work") in accordance with the plans and the specifications attached hereto and made a part hereof as "Exhibit C."

Should COUNTY fail to complete the Work within ninety (90) calendar days after execution of the Lease by COUNTY, for any reason other than a delay caused by LESSEE, LESSEE shall reduce subsequent rent due COUNTY by Seven Hundred Seven Dollars (\$707.00) for each day the completion date of the Work exceeds the above mentioned ninety (90)-day period. Said amount shall be considered as liquidated damages to compensate LESSEE for costs incurred as a result of such COUNTY-caused delay. If the Work is not completed within one hundred twenty (120) calendar days after the date first written above, then in addition to the amount stated above, LESSEE may, at LESSEE's sole option, upon giving written notice to COUNTY prior to the completion of the Work, terminate the Lease. In the event of such termination, this Lease shall terminate on the date specified in such notice and neither party shall have any further right or obligation to the other with respect to this Lease or the Premises.

All planning and architectural/design required to accomplish the Work shall be the COUNTY's responsibility. All plans and working drawings for the Work shall have the approval of LESSEE.

LESSEE shall pay COUNTY the actual cost of said Work, not to exceed Ninety Five Thousand Dollars (\$95,000) within forty-five (45) calendar days after completion of the Work. COUNTY will provide LESSEE with an itemized accounting of the costs to complete the Work within fifteen (15) calendar days following completion of the Work.

Subsequent to the completion of the Work, and prior to occupancy by LESSEE, COUNTY shall obtain LESSEE's approval and acceptance of the Work. Said approval shall be manifested by letter from LESSEE's

Chief Administrative Office, Real Estate Division, and may be subject to completion of items on a "punch list". Said punch list will be generated by LESSEE. LESSEE shall have the option not to accept the Premises prior to completion of all items on any such punch list.

In the event LESSEE's approval and acceptance of the Premises is given prior to the completion of a punch list, COUNTY shall have twenty-one (21) working days following receipt of said punch list to complete all remaining work contained therein.

15. ADDITIONAL IMPROVEMENTS TO PREMISES REQUIRED BY LESSEE (N)

Should LESSEE require additional services, equipment, or space modifications ("Improvements") at any time after lease commencement, LESSEE shall submit a written request to COUNTY and upon approval and completion of Improvements by COUNTY, LESSEE shall reimburse COUNTY for any and all costs associated with the Improvements and any additional work in rent payments.

16. UTILITIES (AM6.1 N)

COUNTY shall be responsible for and pay, prior to the delinquency date, all charges for water, gas and electrical services supplied to the Premises. Telephone service serving the Premises will be contracted under a separate agreement from this Lease between the LESSEE and Affiliated Computer Services ("ACS").

17. MAINTENANCE OBLIGATIONS OF LESSEE (AM6.3 N)

LESSEE, at LESSEE's sole cost, agrees to maintain the Premises and all furnishings and equipment, if applicable, and improvements constructed thereon in good order and repair, and to keep said Premises in a neat, clean, orderly, safe, and sanitary condition. This includes, but is not limited to, the prevention of accumulation of any refuse or waste materials that might constitute a fire hazard or a public or private nuisance. Failure of LESSEE to properly maintain and repair the Premises shall constitute a breach of the terms of this Lease.

18. MAINTENANCE OBLIGATIONS OF COUNTY (N)

COUNTY shall repair and maintain the interior/exterior walls; floor; ceilings; plumbing systems; heating and air-conditioning systems; fluorescent ceiling-mounted electric light fixtures; bulbs for fluorescent lights and related switches; windows; COUNTY-owned doors and locks; gas lines; and electric lines within the Premises. COUNTY shall provide janitorial services and supplies to the extent that such services are typically provided to COUNTY offices surrounding the Premises.

19. DAMAGE TO OR DESTRUCTION OF IMPROVEMENTS (AM6.5 S)

In the event of damage to or destruction of COUNTY-constructed or installed improvements, equipment or fixtures located within the Premises or in the event COUNTY-installed improvements, equipment or fixtures located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, COUNTY shall, within thirty (30) days, commence and diligently pursue to complete the repair, replacement, or reconstruction of improvements to the same size and floor area as they existed immediately prior to the event causing the damage or destruction, as necessary to permit full use and occupancy of the Premises for the purposes required by the Lease. Repair, replacement, or reconstruction of

improvements within the Premises shall be accomplished in a manner and according to plans approved by the Manager of CEO/Real Estate. With respect to damage or destruction to be repaired by COUNTY or which COUNTY elects to repair, LESSEE waives and release its rights under California Civil Code Sections 1932 (2) and 1933 (4).

20. INSURANCE (AM6.6 S)

LESSEE agrees to purchase all required insurance at LESSEE's expense and to deposit with the COUNTY certificates of insurance, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with the COUNTY during the entire term of this Lease.

Manager of CEO/Real Estate will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance.

If LESSEE fails to provide COUNTY's Manager of CEO/Estate with a valid certificate of insurance and endorsements or binder at any time during the term of this Lease, COUNTY and LESSEE agree that this shall constitute a material breach of the Lease.

All contractors performing work on behalf of LESSEE pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for LESSEE. LESSEE shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by the COUNTY from the LESSEE under this Lease. It is the obligation of the LESSEE to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by LESSEE through the entirety of this Lease and be available for inspection by a COUNTY representative at any reasonable time.

All insurance policies required by this Lease shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability). LESSEE shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the certificate of insurance.

If the LESSEE fails to maintain insurance acceptable to the COUNTY for the full term of this Lease, the COUNTY may terminate this Lease.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com** shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the LESSEE shall provide the minimum limits and coverage as set forth below:

| <u>Coverages</u> | <u>Minimum Limits</u> |
|--|---|
| Commercial General Liability with broad form property damage, contractual liability and products liability | \$1,000,000 combined single limit per occurrence \$2,000,000 aggregate |
| Automobile Liability including coverage for owned, non-owned and hired vehicles | \$1,000,000 combined single limit per occurrence |
| Workers' Compensation | Statutory in accordance with Section 3700 of the California Labor Code |
| Employers' Liability Insurance | \$1,000,000 per occurrence |
| Fire and Extended Coverage including contents and business income | LESSEE shall insure all LESSEE equipment, furnishings, and improvements, including water damage and debris cleanup, to at least 90% of their replacement cost, using a standard form fire insurance policy containing the "extended coverage" endorsement |

The County of Orange shall be added as an additional insured on all insurance policies required by this Lease with respect to work done by the LESSEE under the terms of this Lease (except Workers' Compensation/Employers' Liability, Fire and Extended Coverage, An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the certificate of insurance.

All insurance policies required by this Lease shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the LESSEE's insurance is primary and non-contributing shall specifically accompany the certificate of insurance for the Commercial General Liability.

All insurance policies required by this Lease shall give the County of Orange thirty (30) days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the certificate of insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT OR REPRESENTATIVE.~~

1 The Commercial General Liability policy shall contain a severability of interests clause.

3 Insurance certificates should be forwarded to the COUNTY address provided in the Clause (NOTICES) below or
5 to an address provided by Manager of CEO/Real Estate.

7 COUNTY expressly retains the right to require LESSEE to increase or decrease insurance of any of the above
9 insurance types throughout the term of this Lease. Any increase or decrease in insurance will be as deemed by
County of Orange Risk Manager as appropriate to adequately protect COUNTY.

11 COUNTY shall notify LESSEE in writing of changes in the insurance requirements. If LESSEE does not
13 deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such
changes within thirty (30) days of receipt of such notice, this Lease may be in breach.

15 The procuring of such required policy or policies of insurance shall not be construed to limit LESSEE's
liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease.

17 LESSEE at it sole option may self-insure all or any portion of the above required insurance and will issue a
19 letter to the COUNTY verifying that the type of insurance and coverage limits provided under the LESSEE's
self-insurance program is in compliance with the requirements of this License agreement.

21 The COUNTY and LESSEE agree to waive their rights of recovery against each other for any insured losses.

23 21. ASSIGNING, SUBLETTING AND ENCUMBERING (PME7.3 N)

25 Any mortgage, pledge, hypothecation, encumbrance, transfer, sublease or assignment (hereinafter in this clause
27 referred to collectively as ("Encumbrance")) of LESSEE's interest in the Premises, or any part or portion thereof is
prohibited.

29 22. HAZARDOUS MATERIALS (AM7.2 S)

31 A. Definition of Hazardous Materials. For purposes of this Lease, the term "Hazardous Material" or
33 "Hazardous Materials" shall mean any hazardous or toxic substance, material, product, byproduct, or
waste which is or shall become regulated by any governmental entity, including, without limitation, the
COUNTY acting in its governmental capacity, the State of California or the United States government.

35 B. Use of Hazardous Materials. LESSEE or LESSEE's employees, agents, independent contractors or
37 invitees (collectively "LESSEE Parties") shall not cause or permit any Hazardous Materials to be brought
upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about
39 the Premises (which for purposes of this clause shall include the subsurface soil and ground water).
Notwithstanding the foregoing, LESSEE may keep on or about the Premises small quantities of
41 Hazardous Materials that are used in the ordinary, customary, and lawful cleaning of and business
operations on the Premises. Said permitted Hazardous Materials shall be stored in a safe location and
43 shall be disposed of in a manner provided by law.

45 C. LESSEE Obligations. If the presence of any Hazardous Materials on, under or about the Premises caused
47 or permitted by LESSEE or LESSEE Parties results in (i) injury to any person, (ii) injury to or
contamination of the Premises (or a portion thereof), or (iii) injury to or contamination of any real or

1 personal property wherever situated, LESSEE, at its sole cost and expense, shall promptly take all actions
2 necessary or appropriate to return the Premises to the condition existing prior to the introduction of such
3 Hazardous Materials to the Premises and to remedy or repair any such injury or contamination. Without
4 limiting any other rights or remedies of COUNTY under this Lease, LESSEE shall pay the cost of any
5 cleanup or remedial work performed on, under, or about the Premises as required by this Lease or by
6 applicable laws in connection with the removal, disposal, neutralization or other treatment of such
7 Hazardous Materials caused or permitted by LESSEE or LESSEE Parties. Notwithstanding the
8 foregoing, LESSEE shall not take any remedial action in response to the presence, discharge or release, of
9 any Hazardous Materials on, under or about the Premises caused or permitted by LESSEE or LESSEE
10 Parties, or enter into any settlement agreement, consent decree or other compromise with any
11 governmental or quasi-governmental entity without first obtaining the prior written consent of COUNTY.
12 All work performed or caused to be performed by LESSEE as provided for above shall be done in good
13 and workmanlike manner and in compliance with plans, specifications, permits and other requirements for
14 such work approved by COUNTY.

- 15 D. Indemnification for Hazardous Materials. To the fullest extent permitted by law, LESSEE hereby agrees
16 to indemnify, hold harmless, protect and defend (with attorneys acceptable to COUNTY) COUNTY, its
17 elected officials, officers, employees, agents, independent contractors, and the Premises from and against
18 any and all liabilities, losses, damages (including, but not limited, damages for the loss or restriction on
19 use of rentable or usable space or any amenity of the Premises or damages arising from any adverse
20 impact on marketing and diminution in the value of the Premises), judgments, fines, demands, claims,
21 recoveries, deficiencies, costs and expenses (including, but not limited to, reasonable attorneys' fees,
22 disbursements and court costs and all other professional or consultant's expenses), whether foreseeable or
23 unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or
24 off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises by
25 LESSEE or LESSEE Parties. The foregoing indemnity shall also specifically include the cost of any
26 required or necessary repair, restoration, clean-up or detoxification of the Premises and the preparation of
27 any closure or other required plans.

28 //

30 //

32 //

34 //

36 //

38 //

40 //

42 //

44 //

46 //

48 //

49 //

1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
31
33
35
37
39
41
43
45
47
49

3
5

7
9
11

13

15
17

TO: LESSEE

County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd floor
Los Angeles, CA 90012

Attn: Director of Real Estate

23

25

27

29

31

1 IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

3 APPROVED AS TO FORM:

Benjamin De Mayo
5 County Counsel
Of Orange County, California

7
9 By

Thomas A. Miller
Deputy

11
13 Date

7/14/08

15
17 RECOMMENDED FOR APPROVAL:

19 CEO/Real Estate

21
23 By

[Signature]

25
27
29
31
33 SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
35 THE CHAIRMAN OF THE BOARD

37
39 [Signature]
41 DARLENE J. BLOOM
Clerk of the Board of Supervisors
Orange County, California



LESSEE

County of Los Angeles

By

[Signature]
Chair, Board of Supervisors

APPROVED AS TO FORM:

Raymond G. Fortner
County Counsel
Of Los Angeles County, California

[Signature]
Deputy



ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By

[Signature]
Deputy

COUNTY

COUNTY OF ORANGE

[Signature]
Chairman, Board of Supervisors

Enterprise Data Center
1400 S. Grand Avenue
L.A. County Lease

GENERAL CONDITIONS (PMG1.1-26.1 S)

1. TIME (PMG1.1 S)

Time is of the essence of this Lease. Failure to comply with any time requirement of this Lease shall constitute a material breach of this Lease.

2. SIGNS (PMG2.1 N)

Excluding interior signage, LESSEE agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon the Premises except as approved by Manager of CEO/Real Estate. Unapproved signs, banners, flags, etc. may be removed by Manager of CEO/Real Estate without prior notice to LESSEE.

3. LEASE ORGANIZATION (PMG5.1 S)

The various headings and numbers herein, the grouping of provisions of this Lease into separate clauses and paragraphs, and the organization hereof, are for the purpose of convenience only and shall not be considered otherwise.

4. AMENDMENTS (PMG6.1 S)

This Lease is the sole and only agreement between the parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this Lease shall be in writing and shall be properly executed by both parties.

5. UNLAWFUL USE (PMG7.1 S)

LESSEE agrees no improvements shall be erected, placed upon, operated, nor maintained within the Premises, nor any business conducted or carried on therein or therefrom, in violation of the terms of this Lease, or of any regulation, order of law, statute, bylaw, or ordinance of a governmental agency having jurisdiction.

6. NONDISCRIMINATION (PMG8.1 S)

LESSEE agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease. LESSEE shall make its accommodations and services available to the public on fair and reasonable terms.

7. INSPECTION (PMG9.1 S)

COUNTY or its authorized representative shall have the right at all reasonable times to inspect the Premises to determine if the provisions of this Lease are being complied with.

1 8. WAIVER OF JURY TRIAL (9.15 S)

3 Each party acknowledges that it is aware of and has had the advice of Counsel of its choice with respect to its
5 rights to trial by jury, and each party, for itself and its successors and assigns, does hereby expressly and
7 knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by
9 any party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or
affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this
agreement and/or any claim of injury or damage.

11 9. GOVERNING LAW AND VENUE (9.16 S)

13 This agreement has been negotiated and executed in the State of California and shall be governed by and
15 construed under the laws of the State of California. In the event of any legal action to enforce or interpret this
agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County,
California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding
Code of Civil Procedure section 394.

17 10. HOLD HARMLESS (PMG10.1 N)

19 Each of the parties to this Agreement is a public entity as defined by Section 895 of the California Government
21 code. Pursuant to the provisions of that Code, the parties agree that each will assume the full liability imposed by
law upon it or any of its officers, agencies or employees for injury or damage caused by its negligent or wrongful
23 acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be
imposed in the absence of Section 895.2 of the Code. Each party further agrees for itself, its officers, agencies,
25 employees, contractors, consultants, licensees, invitees, tenants and volunteers to indemnify and hold harmless
the other from any and all liability, actual or alleged, including court costs and reasonable attorney's fees, which
27 may arise from the acts or omissions of the indemnitor or its aforesaid affiliates of any tier.

29 In the event that third-party loss is attributable to the negligence or wrongful acts or omissions of both parties, the
ultimate financial responsibility of each party shall be proportionate to its percentage of fault as determined by
31 mutual agreement between the parties or by a court of competent jurisdiction. The provisions of California Civil
code Section 2778 regarding interpretation of indemnity agreements are made a part hereof as if fully set forth
33 herein.

35 Additionally, each party agrees to include the other within the protection of any indemnification clause contained
37 in any contract for this Project.

39 11. SUCCESSORS IN INTEREST (PMG12.1 S)

41 Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and
bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, all of whom shall be
43 jointly and severally liable hereunder.

45 12. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE (PMG13.1 S)

47 If COUNTY or LESSEE shall be delayed or prevented from the performance of any act required hereunder by
reason of Acts of God, restrictive governmental laws or regulations, or other cause without fault and beyond the
49

control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. However, nothing in this Clause shall excuse LESSEE from the prompt payment of any rental or other charge required of LESSEE except as may be expressly provided elsewhere in this Lease.

13. PARTIAL INVALIDITY (PMG14.1 S)

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

14. WAIVER OF RIGHTS (PMG15.1 S)

The failure of COUNTY or LESSEE to insist upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be deemed a waiver of any right or remedy that COUNTY or LESSEE may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants, and conditions of the Lease thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the Lease. Any waiver, in order to be effective, must be signed by the party whose right or remedy is being waived.

15. DEFAULT IN TERMS OF THE LEASE BY LESSEE (PMG16.1 N)

A. The occurrence of any one or more of the following events shall constitute a default hereunder by LESSEE:

- (1) The abandonment or vacation of the Premises by LESSEE;
- (2) The failure by LESSEE to make any payment of rent or any other sum payable hereunder by LESSEE, as and when due, where such failure shall continue for a period of twenty (20) days after written notice thereof from COUNTY to LESSEE;
- (3) The failure or inability by LESSEE to observe or perform any of the provisions of this Lease to be observed or performed by LESSEE, other than specified in (1) or (2) above, where such failure shall continue for a period of ten (10) days after written notice thereof from COUNTY to LESSEE; provided, however, that if the nature of such failure is such that it can be cured by LESSEE, but that more than ten (10) days are reasonably required for its cure (for any reason other than financial inability), then LESSEE shall not be deemed to be in default if LESSEE shall commence such cure within said ten (10) days, and thereafter diligently prosecutes such cure to completion; or

B. In the event of any default by LESSEE, then, in addition to any other remedies available to COUNTY at law or in equity, COUNTY may exercise the following remedies:

- (1) COUNTY may terminate this Lease and all rights of LESSEE hereunder by giving written notice of such termination to LESSEE. In the event that COUNTY shall so elect to terminate this Lease, then COUNTY may recover from LESSEE any amount which COUNTY may by law hereafter be permitted to recover from LESSEE; or
- (2) Continue this Lease in effect without terminating LESSEE's right to possession, even though LESSEE has breached this Lease and abandoned the Premises, and enforce all of COUNTY's rights and remedies

under this Lease, at law or in equity, including the right to recover the rent as it becomes due under this Lease; provided, however, that COUNTY may at any time thereafter elect to terminate this Lease for such previous breach by notifying LESSEE in writing that LESSEE's right to possession of the Premises has been terminated.

- C. Nothing in this Section shall be deemed to affect LESSEE's indemnity of COUNTY's liability or liabilities based upon occurrences prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.
- D. No delay or omission of COUNTY to exercise any right or remedy shall be construed as a waiver of such right or remedy or any default by LESSEE hereunder. The acceptance by COUNTY of rent or any other sums hereunder shall not be a waiver of any preceding breach or default by LESSEE of any provision thereof, other than the failure of LESSEE to pay the particular rent or sum accepted, regardless of COUNTY's knowledge of such preceding breach or default at the time of acceptance of such rent or sum, nor a waiver of COUNTY's right to exercise any remedy available to COUNTY by virtue of such breach or default. No act or thing done by COUNTY or COUNTY's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises and no agreement to accept a surrender shall be valid unless in writing and signed by COUNTY.

16. RESERVATIONS TO COUNTY (PMG18.1 N)

The Premises, improvements, fixtures, or equipment within the Premises are accepted "as is" and where is by LESSEE subject to any and all existing easements and Encumbrances. COUNTY reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, and connections; water, oil, and gas pipelines; telephone and telegraph power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, and along the Premises or any part thereof, and to enter the Premises for any and all such purposes with notice to LESSEE. COUNTY also reserves the right to grant franchises, easements, rights of way, and permits in, over, upon, through, across, and along any and all portions of the Premises. No right reserved by COUNTY in this clause shall be so exercised as to interfere unreasonably with LESSEE's operations hereunder or to impair the security of any secured creditor of LESSEE.

COUNTY agrees that rights granted to third parties by reason of this clause shall contain provisions that the surface of the land shall be restored as nearly as practicable to its original condition upon the completion of any construction. COUNTY further agrees that should the exercise of these rights temporarily interfere with the use of any or all of the Premises by LESSEE, the rental shall be reduced in proportion to the interference with LESSEE's use of the Premises.

17. HOLDING OVER (PMG19.1 S)

In the event LESSEE shall continue in possession of the Premises after the term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Lease.

//

//

18. CONDITION OF PREMISES UPON TERMINATION (PMG20.1 S)

Except as otherwise agreed to herein, upon termination of this Lease, LESSEE shall re-deliver possession of said Premises to COUNTY in substantially the same condition that existed immediately prior to LESSEE's entry thereon, reasonable wear and tear, flood, earthquakes, war, and any act of war, excepted. References to the "Termination of the Lease" in this Lease shall include termination by reason of the expiration of the Lease term.

19. DISPOSITION OF ABANDONED PERSONAL PROPERTY (PMG21.1 S)

If LESSEE abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at COUNTY's option, be deemed to have been transferred to COUNTY. COUNTY shall have the right to remove and to dispose of such property without liability therefor to LESSEE or to any person claiming under LESSEE, and shall have no need to account therefor.

20. QUITCLAIM OF LESSEE'S INTEREST UPON TERMINATION (PMG22.1 S)

Upon termination of this Lease for any reason, including but not limited to termination because of default by LESSEE, LESSEE shall execute, acknowledge, and deliver to COUNTY, within thirty (30) days after receipt of written demand therefor, a good and sufficient deed whereby all right, title, and interest of LESSEE in the Premises is quitclaimed to COUNTY. Should LESSEE fail or refuse to deliver the required deed to COUNTY, COUNTY may prepare and record a notice reciting the failure of LESSEE to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all rights of LESSEE or those claiming under LESSEE in and to the Premises.

21. COUNTY'S RIGHT TO RE-ENTER (PMG23.1 S)

LESSEE agrees to yield and peaceably deliver possession of the Premises to COUNTY on the date of termination of this Lease, whatsoever the reason for such termination.

Upon giving written notice of termination to LESSEE, COUNTY shall have the right to re-enter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the Lease and re-entry of the Premises by COUNTY shall in no way alter or diminish any obligation of LESSEE under the lease terms and shall not constitute an acceptance or surrender.

LESSEE waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any lawful reason or in the event COUNTY re-enters and takes possession of the Premises in a lawful manner.

22. PUBLIC RECORDS (PMG25.1 S)

Any and all written information submitted to and/or obtained by COUNTY from LESSEE or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of COUNTY, may be treated as a public record open to inspection by the public pursuant to the California Records Act (Government Code Section 6250, et seq.) as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and LESSEE hereby waives, for itself, its

agents, employees, subtenants, and any person claiming by, through or under LESSEE, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify and hold COUNTY harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by LESSEE or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

23. RELATIONSHIP OF PARTIES (PMG26.1 S)

The relationship of the parties hereto is that of COUNTY and LESSEE, and it is expressly understood and agreed that COUNTY does not in any way or for any purpose become a partner of LESSEE in the conduct of LESSEE's business or otherwise, or a joint venturer with LESSEE, and the provisions of this Lease and the agreements relating to rent payable hereunder are included solely for the purpose of providing a method by which rental payments are to be measured and ascertained.

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

EXHIBIT A

LEASE DESCRIPTION

PROJECT NO: CEO/AML/CEO-05-017

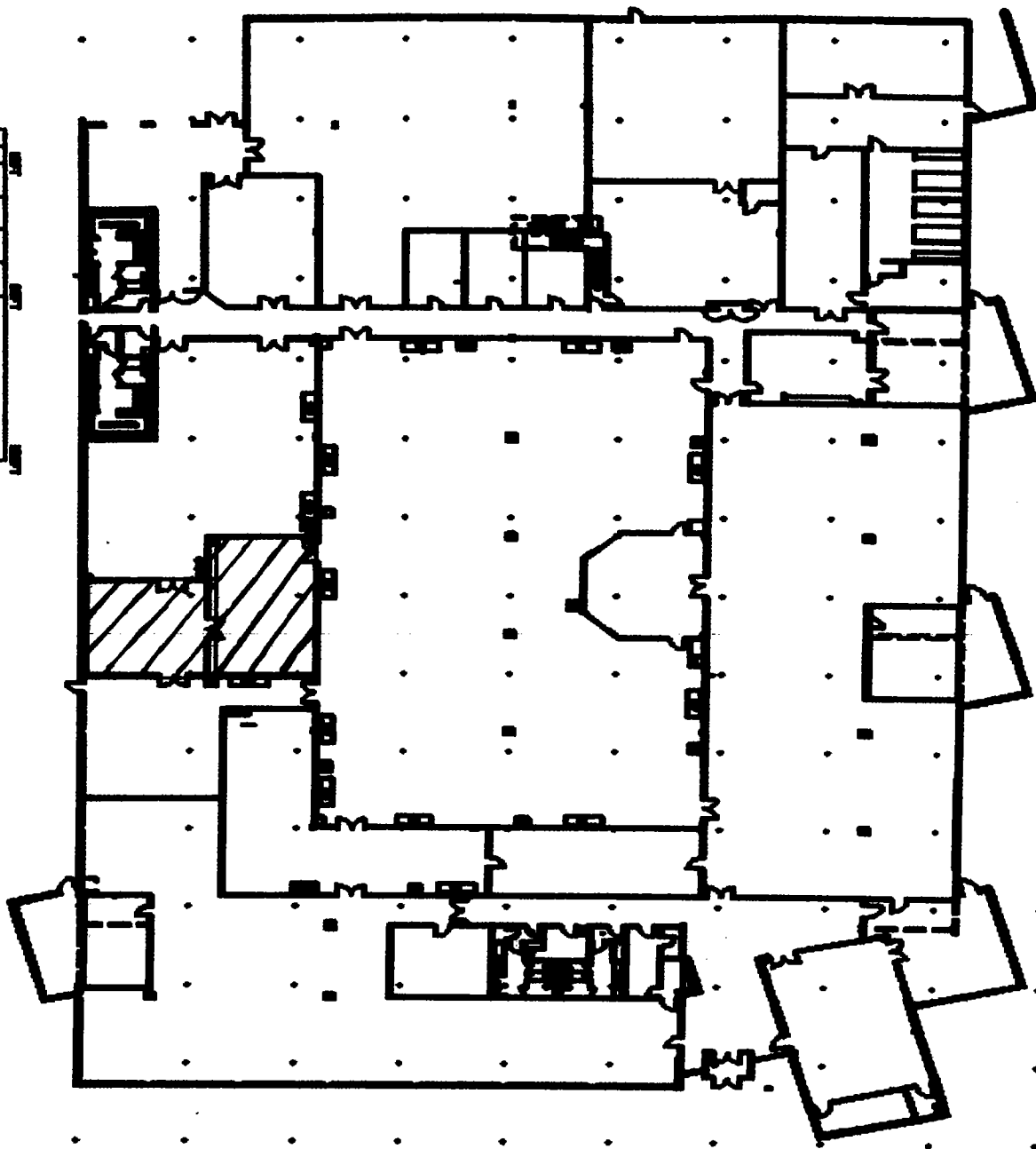
WRITTEN BY: Timothy Moe

PROJECT: L.A. County Lease

DATE: December 5, 2004

All the Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part hereof, being that certain office space located in the Enterprise Data Center, 1400 S. Grand Avenue, Room 122 and Room 123, in the City of Santa Ana, County of Orange, State of California, comprising approximately One Thousand Seven Hundred Ninety One (1,791) square feet of space, as measured by COUNTY and verified by LESSEE.

NOT TO BE RECORDED



Premises

EXHIBIT B

Enterprise Data Center
L.A. County Lease
1400 S. Grand Ave., Santa Ana, CA

Prepared By: Tim Moe

Checked By:

Date: 1/25/05

COUNTY OF ORANGE
CEO/REAL ESTATE

COUNTY OF ORANGE

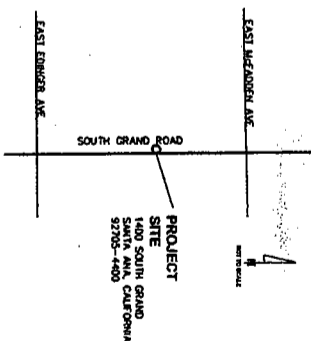
BRYAN G. SPEEGLE, DIRECTOR, RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

BOARD OF SUPERVISORS



BILL CAMPBELL CHAIRMAN
THOMAS W. WILSON, MCE-CHAIRMAN
LOU CORREA
JAMES W. SILVA
CHRIS NORBY

VICINITY MAP



PROJECT DATA

OCCUPANCY - B
TYPE - N (FULLY SPRINKLED)
EXISTING 1600 SF SPACE IN 63000 SF BUILDING
NO ADDITIONAL PARKING REQUIRED
NO RESTROOM REQUIRED, RESTROOM IN ADJACENT BUILDING.

DRAWING INDEX

RDMD/A&E PROJECT MANAGEMENT
1152 E. Fruit Street, Santa Ana, CA 92701

County of Orange
RDMD
Architecture & Engineering

| Revisions | | | |
|-----------|----------|------|----|
| Sym. | Descrip. | Date | By |
| | | | |
| | | | |

| Consultants | | | |
|-------------|-------|------|----------|
| Drawn | Chkd. | Date | A-E Seal |
| | | | |
| | | | |

| A-E | | | |
|--------|-------|------|----------|
| Design | Chkd. | Date | A-E Seal |
| | | | |
| | | | |

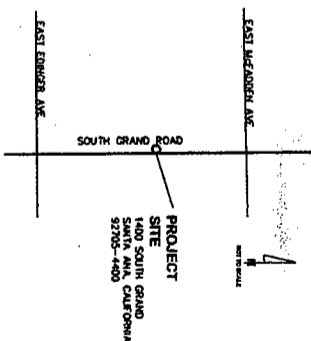
| Sht Title | | | |
|--|--|--|--|
| TITLE SHEET TI FOR LA COUNTY DATA CENTER | | | |
| Project TI FOR LA COUNTY DATA CENTER LEASE | | | |
| 1400 SOUTH GRAND | | | |
| SANTA ANA, CALIFORNIA 92705-4400 | | | |
| PROJ. NO. 289-289-608-1400 | | | |

| RDMD/A&E PROJECT MANAGEMENT | | | |
|---|--|--|--|
| 1152 E. Fruit Street, Santa Ana, CA 92701 | | | |
| | | | |
| | | | |

COUNTY OF ORANGE

BRYAN G. SPEEGLE, DIRECTOR, RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

VICINITY MAP



PROJECT DATA

OCCUPANCY - B
TYPE - N (FULLY SPRINKLED)
EXISTING 1600 SF SPACE IN 63000 SF BUILDING
NO ADDITIONAL PARKING REQUIRED
NO RESTROOM REQUIRED, RESTROOM IN ADJACENT BUILDING.

DRAWING INDEX

RDMD/A&E PROJECT MANAGEMENT
1152 E. Fruit Street, Santa Ana, CA 92701

County of Orange
RDMD
Architecture & Engineering

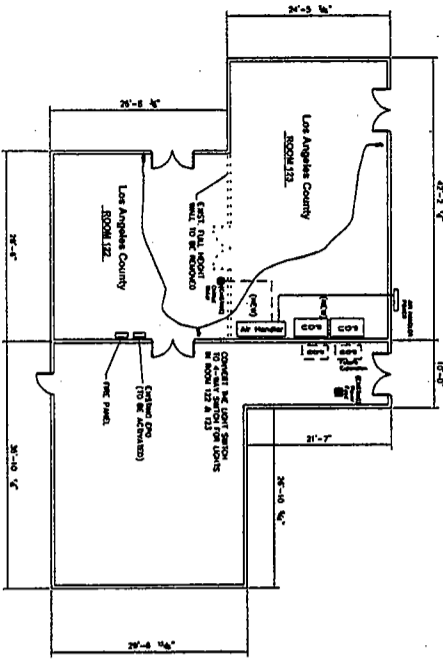
| Revisions | | | |
|-----------|----------|------|----|
| Sym. | Descrip. | Date | By |
| | | | |
| | | | |

| Consultants | | | |
|-------------|-------|------|----------|
| Drawn | Chkd. | Date | A-E Seal |
| | | | |
| | | | |

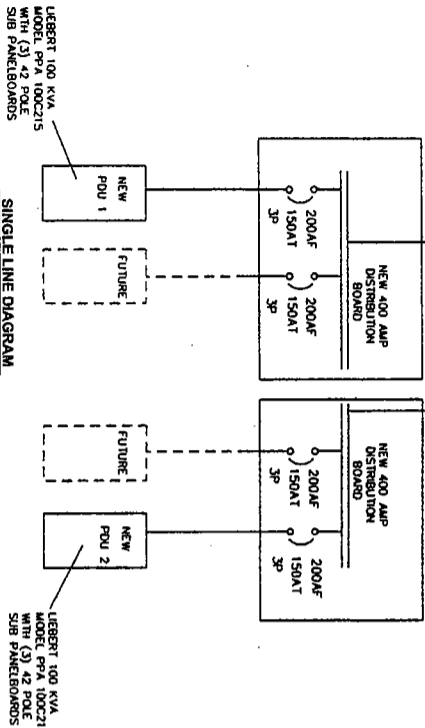
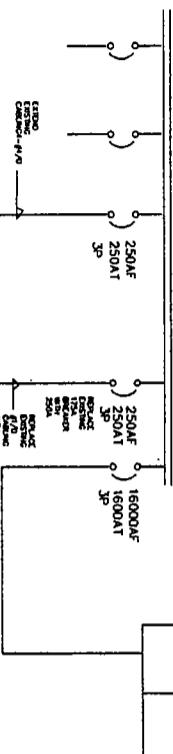
| A-E | | | |
|--------|-------|------|----------|
| Design | Chkd. | Date | A-E Seal |
| | | | |
| | | | |

| Sht Title | | | |
|--|--|--|--|
| TITLE SHEET TI FOR LA COUNTY DATA CENTER | | | |
| Project TI FOR LA COUNTY DATA CENTER LEASE | | | |
| 1400 SOUTH GRAND | | | |
| SANTA ANA, CALIFORNIA 92705-4400 | | | |
| PROJ. NO. 289-289-608-1400 | | | |

| RDMD/A&E PROJECT MANAGEMENT | | | |
|---|--|--|--|
| 1152 E. Fruit Street, Santa Ana, CA 92701 | | | |
| | | | |
| | | | |



PLAN VIEW FOR WORK SCOPE



LA County Buildout

| | Original Est. | Current Est. | Difference |
|---|---------------|--------------|------------|
| | 2000 | 0 | 2,000 |
| no explanation provided for these items | 1500 | 0 | 1,500 |
| | 5300 | 0 | 5,300 |
| Facility Protection (Modify Halon from 2 Zones to 1 Zone)* | \$ 4,866 | 7,000 | (2,134) |
| General Construction (Demo of Wall and Cleanup) ** | \$ 6,084 | 8,700 | (2,616) |
| Air Conditioning System (Installation) ** | \$ 11,200 | 11,200 | 0 |
| Power Distribution Units (2 x 100 KVA PDU) ** | \$ 21,156 | 23,400 | (2,244) |
| Raised Floor (Fill in Raised Floor Structure in wall area) ** | \$ 1,000 | 1,150 | (150) |
| Project Management ** | \$ 2,500 | 2,500 | 0 |
| Tax (7.75%) | \$ 4,309 | 4,309 | 0 |
| Contingency (10%) | \$ 5,561 | 5,561 | 0 |
| TOTAL BUILDOUT | \$ 65,476 | \$ 63,820 | \$ 1,656 |

ADDITIONAL WORK NOT INCLUDED IN ORIGINAL SCOPE

| | |
|--|-----------|
| Connect Air Handler unit to power source | |
| Connect PDU's to existing J-boxes | |
| Connect new system to Site Scan | |
| Change one existing breaker w/ higher capacity to feed two new PDU's | |
| Change existing feed cables to match new breaker capacity above. | |
| Add 2 new distribution panels to feed four PDU's | |
| Change PDU specifications to higher capacity PDU's | |
| Permit & Inspections | 2,180 |
| NEW TOTAL PROJECT COST | \$ 95,000 |

EXHIBIT C

CHIEF ADMINISTRATIVE OFFICE LEASE ANALYSIS SUMMARY

| | | | | | |
|-----------|-----------------|------------|-------------------|----------|-----------|
| Project # | 740-98171 | Department | Internal Services | Date | 6/21/2005 |
| Agent | Manuel Martinez | Program | MHC/AICC | District | All |

Lease Premises

Address 1400 S. Grand Avenue, Santa Ana

Lessor Identification

Name County of Orange
 Contact Carolyn Ansari
 Address 1300 S. Grand Ave., Bldg. A
 City Santa Ana Zip 92705
 Telephone 714 567-5005
 Fax 714 796-8380

Property Manager Identification

Name ACS
 Contact Kevin Teets
 Address 1400 S. Grand Ave.
 City Santa Ana Zip 92705
 Telephone 714 796-8396
 E-mail 714 834-7183

LEASE OBLIGATIONS AND ANNUAL OCCUPANCY COST ANALYSIS

| Cleaning | Lessor | County |
|-------------------------------------|---------------|-----------------|
| Cleaning-Services | 0.93 | 0.00 |
| Cleaning-Supplies | 0.11 | 0.00 |
| Cleaning-Trash | 0.05 | 0.00 |
| Repair and Maintenance | | |
| Electrical-Lamp&Tubes | 0.03 | 0.00 |
| Electrical-Systems | 1.00 | 0.00 |
| HAVC-Equipment | 1.00 | 0.00 |
| HVAC-Servicing | 0.10 | 0.00 |
| Plumbing-Exposed | 0.02 | 0.00 |
| Plumbing-Concealed | 0.01 | 0.00 |
| Plumbing-Waste | 0.01 | 0.00 |
| Exterior-Repainting | 0.04 | 0.00 |
| Exterior-Glass | 0.04 | 0.00 |
| Interior-Maintenance | 0.30 | 0.00 |
| Structural & Roof | 0.03 | 0.00 |
| Fire-Life & Safety | 1.00 | 0.00 |
| Elevators | 0.18 | 0.00 |
| Utilities | | |
| Electric | 10.00 | 0.00 |
| Gas | 1.00 | 0.00 |
| Water-Sewer | 0.09 | 0.00 |
| Miscellaneous | | |
| Road & Grounds | 0.14 | 0.00 |
| Security | 8.00 | 0.00 |
| Administration 1=full 2=split | 1.23 | 0.14 |
| Real Estate Tax | 0.00 | 0.00 |
| Building Insurance | 1.00 | 0.00 |
| Tenant Improvements | | |
| County-1 | n/a | n/a |
| County-2 | n/a | n/a |
| County-3 | n/a | n/a |
| Lessor | n/a | n/a |
| Parking | | |
| County/Lessor | n/a | n/a |
| Total Costs | 26.31 | 0.14 |
| Basic Space Rate² | + 113.77 | |
| Totals¹ | = 142.08 | 0.14 |
| | | + 142.08 |
| | | \$142.22 |

| Terms & Conditions | Amounts | Notes |
|-------------------------------|----------------|--------------|
| Lease Term 3 yrs. | 36 | Months |
| Square Feet Leased | 1,791 | |
| Monthly Rent/Sq. Ft. | \$11.84 | |
| Monthly Adj. To Rent | \$0.00 | |
| Monthly Rent | \$21,205.00 | See remarks |
| Annual Rent | \$254,459.99 | |
| Term Rent | \$763,379.98 | |

Lease & Building Facts

| | |
|---------------------|-----------------------------|
| Right to Cancel | Anytime upon 90 days notice |
| Option to Renew | Two one-year options |
| Option to Purchase | No |
| Type of Building | Single story tilt-up |
| Type of Walls | Concrete/drywall |
| Type of Ceiling | Drop Ceiling |
| Type of Lighting | Fluorescent |
| Type of Floor | Concrete |
| Thomas Guide | 829 H5 |
| Assessor's Parcel # | 014-161-01,02 |
| CPI Adjustment | None |
| Zoning | M1 |
| Building Sq. Ft. | 65,000 |

Improvements - Detail

| Paid By | Loan Amount | Interest Rate | # per. | # Pmts | Annual Payment | |
|----------|-------------|---------------|--------|--------|----------------|-----------|
| County-1 | \$0 | 0.00% | 12 | 0 | #DIV/0! | If needed |
| County-2 | \$0 | 0.00% | 12 | 0 | #DIV/0! | |
| County-3 | \$0 | 0.00% | 12 | 0 | #DIV/0! | |
| Lessor | \$0 | 0.00% | 12 | 0 | #DIV/0! | |

Monthly Parking Costs - Detail

| | # of Spaces | Annual Parking Cost |
|---------------------|-------------|---------------------|
| County Paid Parking | 0 | \$0.00 |
| Lessor Paid Parking | 0 | \$0.00 |

Comments:

Estimated expense costs are based upon the following: The building is a high security data center facility physically and electronically monitored 24/7/365, reinforced to seismic standard with "erector set" design, raised floor, temperature and humidity controlled, redundant electrical with UPS and diesel generator, mechanical, plumbing and fire suppression systems. Services include remote hands, server re-boots, tape swaps, storage, etc.

1. Adjusted annual rent divided by sq. ft. 2. Rent minus Lessor Costs

LEASE FACT SHEET

| | | | |
|---------------------|---|----------------------|-----------|
| Department: | Internal Services | Subvention: | 0% |
| Address: | 1400 S. Grand Avenue, Santa Ana | Job No.: | 740-98171 |
| Assessor Parcel No. | 014-161-01, 02 (part of O.C. County campus) | Supervisor District: | All |

LEASE INFORMATION:

☒ New ☐ Re-Lease ☐ Amendment ☐ Option to Renew
 Alterations: ☐ No ☒ Yes ☒ Additional Cost (Not to exceed \$95,000)
☒ Lump Sum
☐ Amortized \$_____ per mo. @ ____%
☐ Included in Rental \$_____

Percent of building occupied by County Department(s): 3%

Property tax information:

Current assessed value: \$ NA
 Latest real property tax amount: \$ NA
 Amount of real property tax paid by County: \$ 0

No. of other County leases with proposed lessor: 0

LEASE STRUCTURE: OPERATING VS. CAPITAL: (Not applicable - County is leasing only a portion of building)

Estimated Market Value of Property:

| | | |
|---------------|----|--|
| Land: | \$ | |
| Improvements: | \$ | |
| Total: | \$ | |

PRESENT VALUE (PV) OF INCOME OVER TERM:

Monthly Base Rental (NNN Basis) x discounted by PV% = Present Value

| | | | |
|--|---|---|--|
| | X | = | |
|--|---|---|--|

Present Value Market = % of Fair Market Value

Estimated Market Value

| | | | |
|--|---|--|-------------------|
| | = | | (Operating Lease) |
| | | | |

LEASE COST COMPARISON:

| | | Monthly Lease Amount | | No. of Sq. Ft. | | Cost per Sq. Ft. |
|------------|--|----------------------|--|----------------|--|------------------|
| Proposed* | | \$ 21,205 | | 1,791 | | \$ *11.84 |
| Previous | | NA | | NA | | NA |
| Difference | | NA | | NA | | NA |
| % Change | | NA | | NA | | |

APPROVALS:

| | | | | | |
|------------------|-----|----------------|---------------|-------|----------|
| Board Office No. | All | Deputy: | All Districts | Date: | 6/21/05 |
| REMC Date: | N/A | Project Auth.: | M.Vercoutere | Date: | 10/13/04 |

*The building is a high security data center facility, physically and electronically monitored 24/7/365, reinforced to seismic standard with "erector set" design, raised floor, temperature and humidity controlled, redundant electrical with UPS and diesel generator, redundant mechanical, plumbing and fire suppression systems. Services include remote hands, server re-boots, tape swaps, storage, etc.

Enterprise Data Center
1400 S. Grand Avenue
L.A. County Lease
CEO/AML/CEO-05-017

LEASE

This LEASE ("Lease") is made June 21, 2005 by and between the County of Orange, hereinafter referred to as "COUNTY," and the County of Los Angeles, hereinafter referred to as "LESSEE," without regard to number and gender. The term "COUNTY" shall mean the Board of Supervisors of the political body that executed this agreement or its authorized representative.

1. DEFINITIONS (AM1.2 S)

The following words in this Lease have the significance attached to them in this clause unless otherwise apparent from context:

"Board of Supervisors" means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

"County Executive Officer" means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

"Auditor-Controller" means the Auditor-Controller, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

"Manager of CEO/Real Estate" means the Manager, County Executive Office, Real Estate, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

"CEO/Real Estate" means the County Executive Office, Real Estate of the County of Orange, or designee, or upon written notice to LESSEE, such other entity as shall be designated by the County Executive Officer or the Board of Supervisors.

"Internal Audit Department" means the Internal Audit Department, County of Orange, or designee, or upon written notice to LESSEE, such other person or entity as shall be designated by the Board of Supervisors.

2. PREMISES (AM1.3 S)

COUNTY leases to LESSEE that certain property known as Room 122 and Room 123 in the County of Orange Enterprise Data Center, 1400 South Grand Avenue, City of Santa Ana, County of Orange, containing approximately One Thousand Seven Hundred Ninety One (1,791) square feet hereinafter referred to as "Premises," described in "Exhibit A" and shown on "Exhibit B" (Plot Plan) and "Exhibit C" (Space Plan), which exhibits are attached hereto and by reference made a part hereof.

//

1 3. PARKING (N)

3 COUNTY, throughout the term of this Lease, shall provide four (4) parking spaces for LESSEE's free and in-
5 common, non-exclusive use, twenty-four (24) hours per day, in the parking lot located adjacent to the Premises.

7 4. TERMINATION OF PRIOR AGREEMENTS (AM1.4 N)

9 It is mutually agreed that this Lease shall terminate and supersede any prior leases or written or oral agreements
between the parties hereto covering all or any portion of the Premises.

11 5. LIMITATION OF THE LEASEHOLD (AM1.5 S)

13 This Lease and the rights and privileges granted LESSEE in and to the Premises are subject to all covenants,
15 conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document
related hereto shall be construed to imply the conveyance to LESSEE of rights in the Premises which exceed
17 those owned by COUNTY, or any representation or warranty, either express or implied, relating to the nature or
condition of the Premises or COUNTY's interest therein. LESSEE acknowledges that LESSEE has conducted a
19 complete and adequate investigation of the Premises and that LESSEE has accepted the Premises in its "as is"
condition prior to the completion of tenant improvements referred to as the "Work" in Clause
(CONSTRUCTION/TENANT IMPROVEMENTS) of this Lease.

21 6. USE (N)

- 23 A. LESSEE's use of the Premises shall be limited to installation, operation, and maintenance of data and
25 network services equipment for the County of Los Angeles. LESSEE agrees not to use the Premises for
any other purpose nor to engage in or permit any other activity within or from the Premises. LESSEE
27 agrees not to conduct or permit to be conducted any public or private nuisance in, on, or from the
Premises, or to commit or permit to be committed any waste within the Premises.
- 29 B. LESSEE will have access to and non-exclusive use of common areas such as walkways, parking area,
31 lunchrooms, restrooms, break rooms, loading facilities, and lobby. Conference rooms will be available
subject to availability and existing scheduling procedures.
- 33 C. The Enterprise Data Center is a secure facility and access to the Premises is possible via security badge
35 only. The COUNTY will issue to LESSEE all necessary security badges and retains the right to limit the
number of security badges issued and approve/disapprove issuance of badges to individuals. LESSEE will
37 be required to pay Twenty-Five Dollars (\$25.00) to COUNTY for any replacement security badge.
- 39 D. Temporary Closure: LESSEE acknowledges that the COUNTY may need to temporarily shut down the
Enterprise Data Center and its systems periodically for routine maintenance or unexpected repairs.
41 COUNTY will provide LESSEE with reasonable written notification should a shut down become
necessary unless an emergency circumstance prevents such notification.
- 43 E. The operation of the County of Los Angeles Disaster Recovery Program will require an unspecified
45 number of telephone, data, and internet access lines. LESSEE shall be responsible for all costs associated
with the installation, maintenance, and use of all telephone, data, and internet access lines used in the
47

operation of the County of Los Angeles Disaster Recovery Program. Monthly rates for these services will be approved by the Orange County Board of Supervisors and charged to LESSEE on a monthly basis.

NO TOBACCO PRODUCTS, BEER, WINE, OR OTHER INTOXICATING BEVERAGES SHALL BE SOLD OR CONSUMED FROM OR ON THE PREMISES.

7. TERM (AM2.3 N)

The term of this Lease shall be three (3) years, commencing the first day of the first full calendar month following the date of execution of this Lease by COUNTY, or commencing the first day of the first full calendar month following completion by COUNTY of the work set out in the clause entitled (CONSTRUCTION), of this Lease, whichever date is later. The parties agree that the Commencement Date will be confirmed in writing by either party upon demand by the other.

8. OPTION TO EXTEND TERM (N)

LESSEE shall have the option to extend the term of this Lease for two additional one (1) year periods, on the same terms and conditions, at the monthly rent of Twenty Six Thousand Five Hundred Seven Dollars (\$26,507.00). Notification of said exercise of option shall be made in writing from LESSEE to COUNTY at least sixty (60) days prior to the Lease termination date.

9. OPTION TO TERMINATE LEASE (AM3.1N)

COUNTY or LESSEE shall have the option to terminate this Lease at anytime during the term by giving the other at least ninety (90) days prior written notice.

Should COUNTY exercise said option, LESSEE may, within thirty (30) days after the Lease termination date, make a claim for reimbursement of the unamortized cost of LESSEE-required improvements. The amount of said reimbursement shall be determined as follows:

Reimbursement Amount = $1/36$ of the final tenant improvement/build-out cost x [Thirty Six (36) Months less the number of months of lease term elapsed]

If no claim is received by COUNTY within said thirty (30)-day period, LESSEE's right to reimbursement shall be deemed waived. COUNTY shall have sixty (60) days after receipt of the claim by LESSEE to pay said claim.

Should COUNTY incur additional costs for improvements, upgrades, modifications, equipment purchases, and other items as requested and required by the LESSEE after the initial build-out and occupancy, the LESSEE shall reimburse the COUNTY for those costs not yet recovered by COUNTY in rent payments.

LESSEE agrees that at termination of the lease, LESSEE will remove all LESSEE-owned equipment, furniture, and other items and the Premises shall be left in as good condition as when received, reasonable wear and tear excepted.

//

10. LESSEE'S RIGHT TO LEASE ADDITIONAL SPACE (2.5 S)

Throughout the original lease term and any renewal or extension thereof, should additional space become available within COUNTY's building or property, either as a result of the termination of occupancy of another building tenant, or construction by COUNTY of additional space onto COUNTY's building, LESSEE shall have the right of first refusal to lease such additional space. LESSEE's right of first refusal shall extend for a period of sixty (60) days following LESSEE's receipt of COUNTY's written notice of the availability of said space. LESSEE's occupancy of said space shall be subject to the terms and conditions of this Lease and rental for said space shall be based upon the rental rate which LESSEE is paying for the Premises at the time LESSEE's occupancy of the additional space commences.

11. RENT (AMC 1.1 S)

LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which shall be payable monthly in advance on the first day of each month so long as tenancy continues. Said rent shall commence on the date LESSEE occupies the Premises or the first day of the first month of the lease term, whichever occurs earlier. In the event the obligation to pay rent commences on some date other than the first of the month or terminates on some date other than the last day of the month, the rent shall be prorated to reflect the actual period of tenancy and shall be paid on the first day of the following month.

| <u>Months</u> | <u>Monthly Rent</u> |
|---------------|---------------------|
| 1-12 | \$21,205.00 |
| 13-24 | \$21,205.00 |
| 25-36 | \$21,205.00 |

Should LESSEE exercise its option to extend the term of this Lease for one or two additional one (1) year periods LESSEE agrees to pay the following monthly rent in accordance with the schedule below, which shall be payable monthly in advance on the first day of each month so long as tenancy continues.

| <u>Months</u> | <u>Monthly Rent</u> |
|---------------|---------------------|
| 37-48 | \$26,507.00 |
| 49-60 | \$26,507.00 |

Payment of Rent. Rent payments shall be made in accordance with the provisions of the Clause (RENT PAYMENT PROCEDURE) of this Lease.

12. RENT PAYMENT PROCEDURE (AMC 6.4 S)

Rent payments shall be delivered to the County of Orange, Office of the Auditor-Controller, P.O. Box 567 (630 N. Broadway), Santa Ana, California 92702. COUNTY may change the designated place of payment at any time upon sixty (60) days written notice to LESSEE. Rent payments shall be made by

1 check payable to the County of Orange. LESSEE assumes all risk of loss if payments are made by
2 mail.

3 All sums due under this Lease shall be paid in lawful money of the United States of America, without offset or
4 deduction or prior notice or demand. No payment by LESSEE or receipt by COUNTY of a lesser amount than
5 the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or
6 statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction,
7 and COUNTY shall accept such check or payment without prejudice to COUNTY's right to recover the balance
8 of the amount due or pursue any other remedy in this Lease.

11 13. CONSTRUCTION AND/OR ALTERATION BY LESSEE (AM5.1 S)

12 COUNTY's Consent. No structures, improvements, or facilities shall be constructed, erected, altered, or made
13 and no business fixtures or equipment shall be installed within the Premises without prior written consent of the
14 Manager of CEO/Real Estate, which consent shall not be unreasonably withheld or delayed. Any conditions
15 relating to the manner, method, design, and construction of said structures, improvements, or facilities fixed by
16 the Manager of CEO/Real Estate as a condition to granting such consent, shall be conditions hereof as though
17 originally stated herein.

19 14. CONSTRUCTION / TENANT IMPROVEMENTS (4.1 S)

20 COUNTY hereby agrees to complete, at LESSEE's expense, within ninety (90) calendar days after the date first
21 written above, alterations, repairs, and other work (the "Work") in accordance with the plans and the
22 specifications attached hereto and made a part hereof as "Exhibit C."

23 Should COUNTY fail to complete the Work within ninety (90) calendar days after execution of the Lease by
24 COUNTY, for any reason other than a delay caused by LESSEE, LESSEE shall reduce subsequent rent due
25 COUNTY by Seven Hundred Seven Dollars (\$707.00) for each day the completion date of the Work exceeds the
26 above mentioned ninety (90)-day period. Said amount shall be considered as liquidated damages to compensate
27 LESSEE for costs incurred as a result of such COUNTY-caused delay. If the Work is not completed within one
28 hundred twenty (120) calendar days after the date first written above, then in addition to the amount stated above,
29 LESSEE may, at LESSEE's sole option, upon giving written notice to COUNTY prior to the completion of the
30 Work, terminate the Lease. In the event of such termination, this Lease shall terminate on the date specified in
31 such notice and neither party shall have any further right or obligation to the other with respect to this Lease or
32 the Premises.

33 All planning and architectural/design required to accomplish the Work shall be the COUNTY's responsibility.
34 All plans and working drawings for the Work shall have the approval of LESSEE.

35 LESSEE shall pay COUNTY the actual cost of said Work, not to exceed Ninety Five Thousand Dollars (\$95,000)
36 within forty-five (45) calendar days after completion of the Work. COUNTY will provide LESSEE with an
37 itemized accounting of the costs to complete the Work within fifteen (15) calendar days following completion of
38 the Work.

39 Subsequent to the completion of the Work, and prior to occupancy by LESSEE, COUNTY shall obtain
40 LESSEE's approval and acceptance of the Work. Said approval shall be manifested by letter from LESSEE's

1 Chief Administrative Office, Real Estate Division, and may be subject to completion of items on a "punch list".
3 Said punch list will be generated by LESSEE. LESSEE shall have the option not to accept the Premises prior to completion of all items on any such punch list.

5 In the event LESSEE's approval and acceptance of the Premises is given prior to the completion of a punch list,
7 COUNTY shall have twenty-one (21) working days following receipt of said punch list to complete all remaining work contained therein.

9 15. ADDITIONAL IMPROVEMENTS TO PREMISES REQUIRED BY LESSEE (N)

11 Should LESSEE require additional services, equipment, or space modifications ("Improvements") at any time
13 after lease commencement, LESSEE shall submit a written request to COUNTY and upon approval and completion of Improvements by COUNTY, LESSEE shall reimburse COUNTY for any and all costs associated
15 with the Improvements and any additional work in rent payments.

17 16. UTILITIES (AM6.1 N)

19 COUNTY shall be responsible for and pay, prior to the delinquency date, all charges for water, gas and electrical
21 services supplied to the Premises. Telephone service serving the Premises will be contracted under a separate agreement from this Lease between the LESSEE and Affiliated Computer Services ("ACS").

23 17. MAINTENANCE OBLIGATIONS OF LESSEE (AM6.3 N)

25 LESSEE, at LESSEE's sole cost, agrees to maintain the Premises and all furnishings and equipment, if applicable,
27 and improvements constructed thereon in good order and repair, and to keep said Premises in a neat, clean, orderly, safe, and sanitary condition. This includes, but is not limited to, the prevention of accumulation of any
29 refuse or waste materials that might constitute a fire hazard or a public or private nuisance. Failure of LESSEE to properly maintain and repair the Premises shall constitute a breach of the terms of this Lease.

31 18. MAINTENANCE OBLIGATIONS OF COUNTY (N)

33 COUNTY shall repair and maintain the interior/exterior walls; floor; ceilings; plumbing systems; heating and air-
35 conditioning systems; fluorescent ceiling-mounted electric light fixtures; bulbs for fluorescent lights and related switches; windows; COUNTY-owned doors and locks; gas lines; and electric lines within the Premises.
37 COUNTY shall provide janitorial services and supplies to the extent that such services are typically provided to COUNTY offices surrounding the Premises.

39 19. DAMAGE TO OR DESTRUCTION OF IMPROVEMENTS (AM6.5 S)

41 In the event of damage to or destruction of COUNTY-constructed or installed improvements, equipment or
43 fixtures located within the Premises or in the event COUNTY-installed improvements, equipment or fixtures located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority
45 to make and enforce such declaration, COUNTY shall, within thirty (30) days, commence and diligently pursue to complete the repair, replacement, or reconstruction of improvements to the same size and floor area as they
47 existed immediately prior to the event causing the damage or destruction, as necessary to permit full use and occupancy of the Premises for the purposes required by the Lease. Repair, replacement, or reconstruction of

improvements within the Premises shall be accomplished in a manner and according to plans approved by the Manager of CEO/Real Estate. With respect to damage or destruction to be repaired by COUNTY or which COUNTY elects to repair, LESSEE waives and release its rights under California Civil Code Sections 1932 (2) and 1933 (4).

20. INSURANCE (AM6.6 S)

LESSEE agrees to purchase all required insurance at LESSEE's expense and to deposit with the COUNTY certificates of insurance, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with the COUNTY during the entire term of this Lease.

Manager of CEO/Real Estate will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance.

If LESSEE fails to provide COUNTY's Manager of CEO/Estate with a valid certificate of insurance and endorsements or binder at any time during the term of this Lease, COUNTY and LESSEE agree that this shall constitute a material breach of the Lease.

All contractors performing work on behalf of LESSEE pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for LESSEE. LESSEE shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by the COUNTY from the LESSEE under this Lease. It is the obligation of the LESSEE to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by LESSEE through the entirety of this Lease and be available for inspection by a COUNTY representative at any reasonable time.

All insurance policies required by this Lease shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability). LESSEE shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the certificate of insurance.

If the LESSEE fails to maintain insurance acceptable to the COUNTY for the full term of this Lease, the COUNTY may terminate this Lease.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States** or **ambest.com** shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

1 The policy or policies of insurance maintained by the LESSEE shall provide the minimum limits and coverage as
3 set forth below:

| 5 <u>Coverages</u> | <u>Minimum Limits</u> |
|--|---|
| 7 Commercial General Liability with broad 9 form property damage, contractual liability and products liability | \$1,000,000 combined single limit per occurrence \$2,000,000 aggregate |
| 11 Automobile Liability including coverage for owned, non-owned and hired vehicles | \$1,000,000 combined single limit per occurrence |
| 13 Workers' Compensation | Statutory in accordance with Section 3700 of the California Labor Code |
| 15 Employers' Liability Insurance | \$1,000,000 per occurrence |
| 17 Fire and Extended Coverage including 19 contents and business income | LESSEE shall insure all LESSEE equipment, furnishings, and improvements, including water damage and debris cleanup, to at least 21 90% of their replacement cost, using a standard form fire insurance policy 23 containing the "extended coverage" endorsement |

25
27 The County of Orange shall be added as an additional insured on all insurance policies required by this Lease
with respect to work done by the LESSEE under the terms of this Lease (except Workers'
29 Compensation/Employers' Liability, Fire and Extended Coverage, An additional insured endorsement evidencing
that the County of Orange is an additional insured shall accompany the certificate of insurance.

31 All insurance policies required by this Lease shall be primary insurance, and any insurance maintained by the
33 County of Orange shall be excess and non-contributing with insurance provided by these policies. An
endorsement evidencing that the LESSEE's insurance is primary and non-contributing shall specifically
35 accompany the certificate of insurance for the Commercial General Liability.

37 All insurance policies required by this Lease shall give the County of Orange thirty (30) days notice in the event
of cancellation. This shall be evidenced by an endorsement separate from the certificate of insurance. In
39 addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD
certificate:

41 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION
43 DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE
TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO MAIL SUCH NOTICE~~
45 ~~SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT~~
~~OR REPRESENTATIVE.~~

1 The Commercial General Liability policy shall contain a severability of interests clause.

3 Insurance certificates should be forwarded to the COUNTY address provided in the Clause (NOTICES) below or
to an address provided by Manager of CEO/Real Estate.

5 COUNTY expressly retains the right to require LESSEE to increase or decrease insurance of any of the above
7 insurance types throughout the term of this Lease. Any increase or decrease in insurance will be as deemed by
County of Orange Risk Manager as appropriate to adequately protect COUNTY.

9 COUNTY shall notify LESSEE in writing of changes in the insurance requirements. If LESSEE does not
11 deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such
changes within thirty (30) days of receipt of such notice, this Lease may be in breach.

13 The procuring of such required policy or policies of insurance shall not be construed to limit LESSEE's
15 liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease.

17 LESSEE at it sole option may self-insure all or any portion of the above required insurance and will issue a
letter to the COUNTY verifying that the type of insurance and coverage limits provided under the LESSEE's
19 self-insurance program is in compliance with the requirements of this License agreement.

21 The COUNTY and LESSEE agree to waive their rights of recovery against each other for any insured losses.

23 21. ASSIGNING, SUBLETTING AND ENCUMBERING (PME7.3 N)

25 Any mortgage, pledge, hypothecation, encumbrance, transfer, sublease or assignment (hereinafter in this clause
referred to collectively as ("Encumbrance")) of LESSEE's interest in the Premises, or any part or portion thereof is
27 prohibited.

29 22. HAZARDOUS MATERIALS (AM7.2 S)

31 A. Definition of Hazardous Materials. For purposes of this Lease, the term "Hazardous Material" or
"Hazardous Materials" shall mean any hazardous or toxic substance, material, product, byproduct, or
33 waste which is or shall become regulated by any governmental entity, including, without limitation, the
COUNTY acting in its governmental capacity, the State of California or the United States government.

35 B. Use of Hazardous Materials. LESSEE or LESSEE's employees, agents, independent contractors or
invitees (collectively "LESSEE Parties") shall not cause or permit any Hazardous Materials to be brought
37 upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about
the Premises (which for purposes of this clause shall include the subsurface soil and ground water).
39 Notwithstanding the foregoing, LESSEE may keep on or about the Premises small quantities of
Hazardous Materials that are used in the ordinary, customary, and lawful cleaning of and business
41 operations on the Premises. Said permitted Hazardous Materials shall be stored in a safe location and
shall be disposed of in a manner provided by law.

43 C. LESSEE Obligations. If the presence of any Hazardous Materials on, under or about the Premises caused
45 or permitted by LESSEE or LESSEE Parties results in (i) injury to any person, (ii) injury to or
contamination of the Premises (or a portion thereof), or (iii) injury to or contamination of any real or
47

1 personal property wherever situated, LESSEE, at its sole cost and expense, shall promptly take all actions
2 necessary or appropriate to return the Premises to the condition existing prior to the introduction of such
3 Hazardous Materials to the Premises and to remedy or repair any such injury or contamination. Without
4 limiting any other rights or remedies of COUNTY under this Lease, LESSEE shall pay the cost of any
5 cleanup or remedial work performed on, under, or about the Premises as required by this Lease or by
6 applicable laws in connection with the removal, disposal, neutralization or other treatment of such
7 Hazardous Materials caused or permitted by LESSEE or LESSEE Parties. Notwithstanding the
8 foregoing, LESSEE shall not take any remedial action in response to the presence, discharge or release, of
9 any Hazardous Materials on, under or about the Premises caused or permitted by LESSEE or LESSEE
10 Parties, or enter into any settlement agreement, consent decree or other compromise with any
11 governmental or quasi-governmental entity without first obtaining the prior written consent of COUNTY.
12 All work performed or caused to be performed by LESSEE as provided for above shall be done in good
13 and workmanlike manner and in compliance with plans, specifications, permits and other requirements for
14 such work approved by COUNTY.

15
16 D. Indemnification for Hazardous Materials. To the fullest extent permitted by law, LESSEE hereby agrees
17 to indemnify, hold harmless, protect and defend (with attorneys acceptable to COUNTY) COUNTY, its
18 elected officials, officers, employees, agents, independent contractors, and the Premises from and against
19 any and all liabilities, losses, damages (including, but not limited, damages for the loss or restriction on
20 use of rentable or usable space or any amenity of the Premises or damages arising from any adverse
21 impact on marketing and diminution in the value of the Premises), judgments, fines, demands, claims,
22 recoveries, deficiencies, costs and expenses (including, but not limited to, reasonable attorneys' fees,
23 disbursements and court costs and all other professional or consultant's expenses), whether foreseeable or
24 unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or
25 off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises by
26 LESSEE or LESSEE Parties. The foregoing indemnity shall also specifically include the cost of any
27 required or necessary repair, restoration, clean-up or detoxification of the Premises and the preparation of
28 any closure or other required plans.

29 //

31 //

33 //

35 //

37 //

39 //

41 //

43 //

45 //

47 //

49 //

23. NOTICES (AM7.3 S)

All notices pursuant to this Lease shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be sent through the United States mail in the State of California, duly registered or certified, return receipt requested, with postage prepaid.

If any notice is sent by registered or certified mail, as aforesaid, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing thereof as above provided. Notwithstanding the above, COUNTY may also provide notices to LESSEE by personal delivery or by regular mail and any such notice so given shall be deemed to have been given upon receipt.

TO: COUNTY

County of Orange
CEO/Real Estate
1300 South Grand Ave., Bldg. A
Santa Ana, CA 92705

Attn.: Manager

TO: LESSEE

County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd floor
Los Angeles, CA 90012

Attn: Director of Real Estate

24. ATTACHMENTS TO LEASE (AM7.4 S)

This Lease includes the following, which are attached hereto and made a part hereof:

I. GENERAL CONDITIONS

II. EXHIBITS

Exhibit A — Premises Description
Exhibit B — Plot Plan
Exhibit C — Space Plan

//

//

//

//

//

//

1 IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

3 APPROVED AS TO FORM:

Benjamin De Mayo
County Counsel
Of Orange County, California

LESSEE

County of Los Angeles

By *Gloria Molina*
Chair, Board of Supervisors

9 By _____
Deputy

13 Date _____

APPROVED AS TO FORM:

Raymond G. Fortner
County Counsel
Of Los Angeles County, California

17 RECOMMENDED FOR APPROVAL:

19 CEO/Real Estate

Kathleen Julie
Deputy

23 By _____

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors



By *Sybil G. Villalobos*
Deputy

33 SIGNED AND CERTIFIED THAT A COPY OF
35 THIS DOCUMENT HAS BEEN DELIVERED TO
THE CHAIRMAN OF THE BOARD

COUNTY

COUNTY OF ORANGE

39 _____
41 DARLENE J. BLOOM
Clerk of the Board of Supervisors
Orange County, California

Chairman, Board of Supervisors

Enterprise Data Center
1400 S. Grand Avenue
L.A. County Lease

GENERAL CONDITIONS (PMGL.1-26.1 S)

1. TIME (PMGL.1 S)

Time is of the essence of this Lease. Failure to comply with any time requirement of this Lease shall constitute a material breach of this Lease.

2. SIGNS (PMG2.1 N)

Excluding interior signage, LESSEE agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon the Premises except as approved by Manager of CEO/Real Estate. Unapproved signs, banners, flags, etc. may be removed by Manager of CEO/Real Estate without prior notice to LESSEE.

3. LEASE ORGANIZATION (PMG5.1 S)

The various headings and numbers herein, the grouping of provisions of this Lease into separate clauses and paragraphs, and the organization hereof, are for the purpose of convenience only and shall not be considered otherwise.

4. AMENDMENTS (PMG6.1 S)

This Lease is the sole and only agreement between the parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this Lease shall be in writing and shall be properly executed by both parties.

5. UNLAWFUL USE (PMG7.1 S)

LESSEE agrees no improvements shall be erected, placed upon, operated, nor maintained within the Premises, nor any business conducted or carried on therein or therefrom, in violation of the terms of this Lease, or of any regulation, order of law, statute, bylaw, or ordinance of a governmental agency having jurisdiction.

6. NONDISCRIMINATION (PMG8.1 S)

LESSEE agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease. LESSEE shall make its accommodations and services available to the public on fair and reasonable terms.

7. INSPECTION (PMG9.1 S)

COUNTY or its authorized representative shall have the right at all reasonable times to inspect the Premises to determine if the provisions of this Lease are being complied with.

1 8. WAIVER OF JURY TRIAL (9.15 S)

3 Each party acknowledges that it is aware of and has had the advice of Counsel of its choice with respect to its
5 rights to trial by jury, and each party, for itself and its successors and assigns, does hereby expressly and
7 knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by
9 any party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or
affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this
agreement and/or any claim of injury or damage.

11 9. GOVERNING LAW AND VENUE (9.16 S)

13 This agreement has been negotiated and executed in the State of California and shall be governed by and
15 construed under the laws of the State of California. In the event of any legal action to enforce or interpret this
agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County,
California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding
Code of Civil Procedure section 394.

17 10. HOLD HARMLESS (PMG10.1 N)

19 Each of the parties to this Agreement is a public entity as defined by Section 895 of the California Government
21 code. Pursuant to the provisions of that Code, the parties agree that each will assume the full liability imposed by
23 law upon it or any of its officers, agencies or employees for injury or damage caused by its negligent or wrongful
acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be
25 imposed in the absence of Section 895.2 of the Code. Each party further agrees for itself, its officers, agencies,
employees, contractors, consultants, licensees, invitees, tenants and volunteers to indemnify and hold harmless
27 the other from any and all liability, actual or alleged, including court costs and reasonable attorney's fees, which
may arise from the acts or omissions of the indemnitor or its aforesaid affiliates of any tier.

29 In the event that third-party loss is attributable to the negligence or wrongful acts or omissions of both parties, the
31 ultimate financial responsibility of each party shall be proportionate to its percentage of fault as determined by
mutual agreement between the parties or by a court of competent jurisdiction. The provisions of California Civil
33 code Section 2778 regarding interpretation of indemnity agreements are made a part hereof as if fully set forth
herein.

35 Additionally, each party agrees to include the other within the protection of any indemnification clause contained
37 in any contract for this Project.

39 11. SUCCESSORS IN INTEREST (PMG12.1 S)

41 Unless otherwise provided in this Lease, the terms, covenants, and conditions contained herein shall apply to and
43 bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, all of whom shall be
jointly and severally liable hereunder.

45 12. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE (PMG13.1 S)

47 If COUNTY or LESSEE shall be delayed or prevented from the performance of any act required hereunder by
reason of Acts of God, restrictive governmental laws or regulations, or other cause without fault and beyond the

control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. However, nothing in this Clause shall excuse LESSEE from the prompt payment of any rental or other charge required of LESSEE except as may be expressly provided elsewhere in this Lease.

13. PARTIAL INVALIDITY (PMG14.1 S)

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

14. WAIVER OF RIGHTS (PMG15.1 S)

The failure of COUNTY or LESSEE to insist upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be deemed a waiver of any right or remedy that COUNTY or LESSEE may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants, and conditions of the Lease thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the Lease. Any waiver, in order to be effective, must be signed by the party whose right or remedy is being waived.

15. DEFAULT IN TERMS OF THE LEASE BY LESSEE (PMG16.1 N)

A. The occurrence of any one or more of the following events shall constitute a default hereunder by LESSEE:

- (1) The abandonment or vacation of the Premises by LESSEE;
- (2) The failure by LESSEE to make any payment of rent or any other sum payable hereunder by LESSEE, as and when due, where such failure shall continue for a period of twenty (20) days after written notice thereof from COUNTY to LESSEE;
- (3) The failure or inability by LESSEE to observe or perform any of the provisions of this Lease to be observed or performed by LESSEE, other than specified in (1) or (2) above, where such failure shall continue for a period of ten (10) days after written notice thereof from COUNTY to LESSEE; provided, however, that if the nature of such failure is such that it can be cured by LESSEE, but that more than ten (10) days are reasonably required for its cure (for any reason other than financial inability), then LESSEE shall not be deemed to be in default if LESSEE shall commence such cure within said ten (10) days, and thereafter diligently prosecutes such cure to completion; or

B. In the event of any default by LESSEE, then, in addition to any other remedies available to COUNTY at law or in equity, COUNTY may exercise the following remedies:

- (1) COUNTY may terminate this Lease and all rights of LESSEE hereunder by giving written notice of such termination to LESSEE. In the event that COUNTY shall so elect to terminate this Lease, then COUNTY may recover from LESSEE any amount which COUNTY may by law hereafter be permitted to recover from LESSEE; or
- (2) Continue this Lease in effect without terminating LESSEE's right to possession, even though LESSEE has breached this Lease and abandoned the Premises, and enforce all of COUNTY's rights and remedies

under this Lease, at law or in equity, including the right to recover the rent as it becomes due under this Lease; provided, however, that COUNTY may at any time thereafter elect to terminate this Lease for such previous breach by notifying LESSEE in writing that LESSEE's right to possession of the Premises has been terminated.

- C. Nothing in this Section shall be deemed to affect LESSEE's indemnity of COUNTY's liability or liabilities based upon occurrences prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.
- D. No delay or omission of COUNTY to exercise any right or remedy shall be construed as a waiver of such right or remedy or any default by LESSEE hereunder. The acceptance by COUNTY of rent or any other sums hereunder shall not be a waiver of any preceding breach or default by LESSEE of any provision thereof, other than the failure of LESSEE to pay the particular rent or sum accepted, regardless of COUNTY's knowledge of such preceding breach or default at the time of acceptance of such rent or sum, nor a waiver of COUNTY's right to exercise any remedy available to COUNTY by virtue of such breach or default. No act or thing done by COUNTY or COUNTY's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises and no agreement to accept a surrender shall be valid unless in writing and signed by COUNTY.

16. RESERVATIONS TO COUNTY (PMG18.1 N)

The Premises, improvements, fixtures, or equipment within the Premises are accepted "as is" and where is by LESSEE subject to any and all existing easements and Encumbrances. COUNTY reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, and connections; water, oil, and gas pipelines; telephone and telegraph power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, and along the Premises or any part thereof, and to enter the Premises for any and all such purposes with notice to LESSEE. COUNTY also reserves the right to grant franchises, easements, rights of way, and permits in, over, upon, through, across, and along any and all portions of the Premises. No right reserved by COUNTY in this clause shall be so exercised as to interfere unreasonably with LESSEE's operations hereunder or to impair the security of any secured creditor of LESSEE.

COUNTY agrees that rights granted to third parties by reason of this clause shall contain provisions that the surface of the land shall be restored as nearly as practicable to its original condition upon the completion of any construction. COUNTY further agrees that should the exercise of these rights temporarily interfere with the use of any or all of the Premises by LESSEE, the rental shall be reduced in proportion to the interference with LESSEE's use of the Premises.

17. HOLDING OVER (PMG19.1 S)

In the event LESSEE shall continue in possession of the Premises after the term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Lease.

//

//

18. CONDITION OF PREMISES UPON TERMINATION (PMG20.1 S)

Except as otherwise agreed to herein, upon termination of this Lease, LESSEE shall re-deliver possession of said Premises to COUNTY in substantially the same condition that existed immediately prior to LESSEE's entry thereon, reasonable wear and tear, flood, earthquakes, war, and any act of war, excepted. References to the "Termination of the Lease" in this Lease shall include termination by reason of the expiration of the Lease term.

19. DISPOSITION OF ABANDONED PERSONAL PROPERTY (PMG21.1 S)

If LESSEE abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at COUNTY's option, be deemed to have been transferred to COUNTY. COUNTY shall have the right to remove and to dispose of such property without liability therefor to LESSEE or to any person claiming under LESSEE, and shall have no need to account therefor.

20. QUITCLAIM OF LESSEE'S INTEREST UPON TERMINATION (PMG22.1 S)

Upon termination of this Lease for any reason, including but not limited to termination because of default by LESSEE, LESSEE shall execute, acknowledge, and deliver to COUNTY, within thirty (30) days after receipt of written demand therefor, a good and sufficient deed whereby all right, title, and interest of LESSEE in the Premises is quitclaimed to COUNTY. Should LESSEE fail or refuse to deliver the required deed to COUNTY, COUNTY may prepare and record a notice reciting the failure of LESSEE to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all rights of LESSEE or those claiming under LESSEE in and to the Premises.

21. COUNTY'S RIGHT TO RE-ENTER (PMG23.1 S)

LESSEE agrees to yield and peaceably deliver possession of the Premises to COUNTY on the date of termination of this Lease, whatsoever the reason for such termination.

Upon giving written notice of termination to LESSEE, COUNTY shall have the right to re-enter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the Lease and re-entry of the Premises by COUNTY shall in no way alter or diminish any obligation of LESSEE under the lease terms and shall not constitute an acceptance or surrender.

LESSEE waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any lawful reason or in the event COUNTY re-enters and takes possession of the Premises in a lawful manner.

22. PUBLIC RECORDS (PMG25.1 S)

Any and all written information submitted to and/or obtained by COUNTY from LESSEE or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of COUNTY, may be treated as a public record open to inspection by the public pursuant to the California Records Act (Government Code Section 6250, et seq.) as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and LESSEE hereby waives, for itself, its

agents, employees, subtenants, and any person claiming by, through or under LESSEE, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify and hold COUNTY harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by LESSEE or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

23. RELATIONSHIP OF PARTIES (PMG26.1 S)

The relationship of the parties hereto is that of COUNTY and LESSEE, and it is expressly understood and agreed that COUNTY does not in any way or for any purpose become a partner of LESSEE in the conduct of LESSEE's business or otherwise, or a joint venturer with LESSEE, and the provisions of this Lease and the agreements relating to rent payable hereunder are included solely for the purpose of providing a method by which rental payments are to be measured and ascertained.

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
31
33
35
37
39
41
43
45
47
49

EXHIBIT A

LEASE DESCRIPTION

PROJECT NO: CEO/AML/CEO-05-017

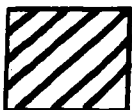
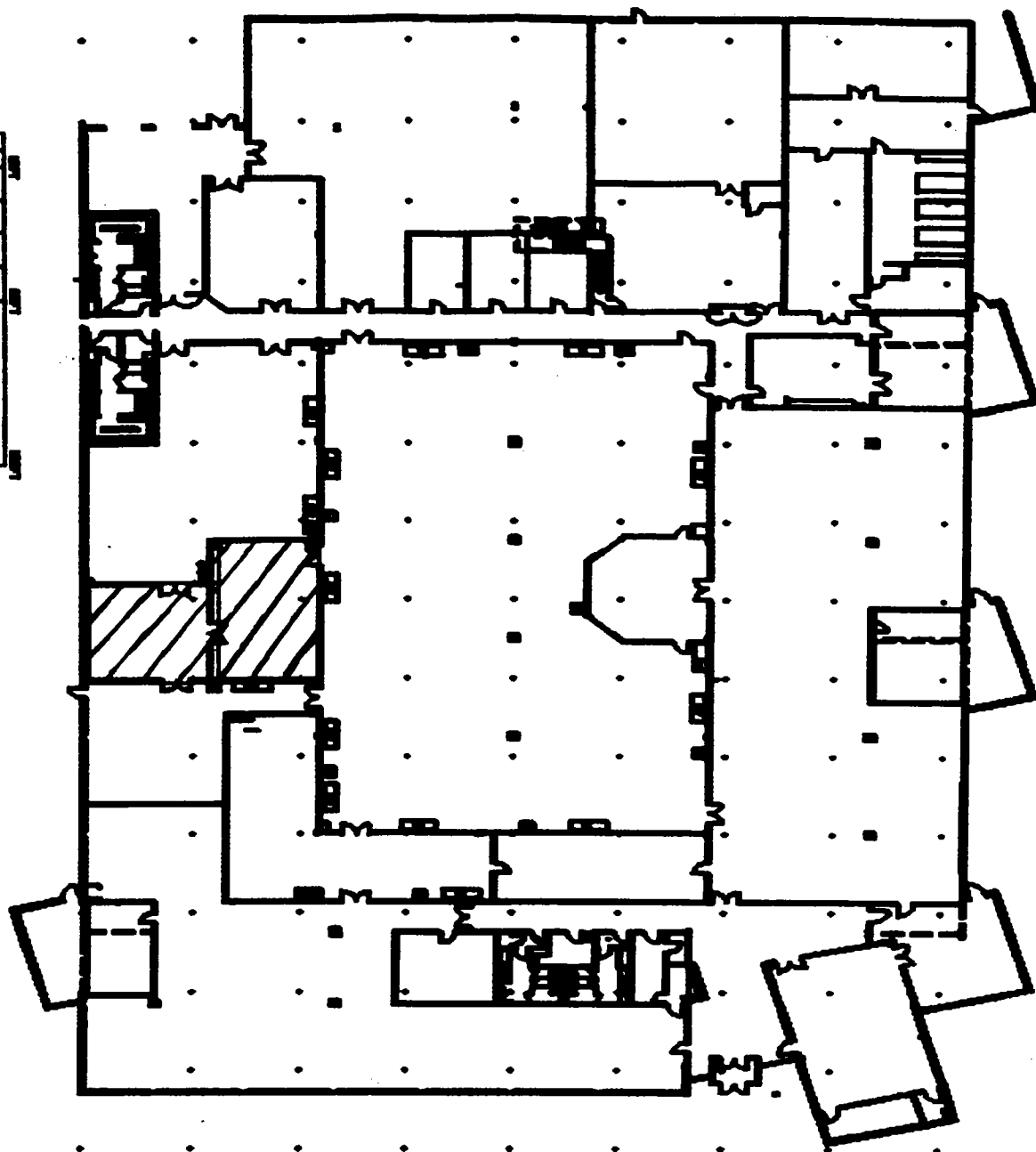
WRITTEN BY: Timothy Moe

PROJECT: L.A. County Lease

DATE: December 5, 2004

All the Premises shown crosshatched on a plot plan marked Exhibit B, attached hereto and made a part hereof, being that certain office space located in the Enterprise Data Center, 1400 S. Grand Avenue, Room 122 and Room 123, in the City of Santa Ana, County of Orange, State of California, comprising approximately One Thousand Seven Hundred Ninety One (1,791) square feet of space, as measured by COUNTY and verified by LESSEE.

NOT TO BE RECORDED



Premises

EXHIBIT B

Enterprise Data Center
L.A. County Lease
1400 S. Grand Ave., Santa Ana, CA

Prepared By: Tim Moe

Checked By:

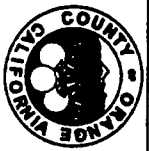
Date: 1/25/05

COUNTY OF ORANGE
CEO/REAL ESTATE

COUNTY OF ORANGE

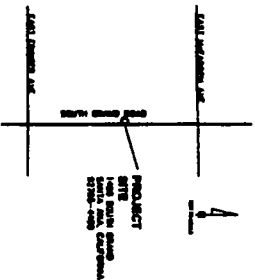
BRYAN G. SPEEGLE, DIRECTOR, RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

BOARD OF SUPERVISORS



BILL CAMPBELL, Chairman
THOMAS W. WILSON, Vice-Chairman
LOUI CORREA
JAMES W. SILVA
CHRIS MORSEY

VICINITY MAP



PROJECT DATA

PROJECT NO. 200-200-000-1-000

DATE: 01/11/2006

PROJECT NAME: TITLE SHEET FOR LA COUNTY DATA CENTER LEASE

PROJECT ADDRESS: 1400 SOUTH GRAND, SANTA ANA, CALIFORNIA 92705-4400

PROJECT OWNER: COUNTY OF ORANGE

PROJECT MANAGER: BRYAN G. SPEEGLE

PROJECT ENGINEER: BRYAN G. SPEEGLE

PROJECT ARCHITECT: BRYAN G. SPEEGLE

PROJECT ELECTRICAL: BRYAN G. SPEEGLE

PROJECT MECHANICAL: BRYAN G. SPEEGLE

PROJECT PLUMBING: BRYAN G. SPEEGLE

PROJECT PAINT: BRYAN G. SPEEGLE

PROJECT LANDSCAPE: BRYAN G. SPEEGLE

PROJECT FURNITURE: BRYAN G. SPEEGLE

PROJECT SIGNAGE: BRYAN G. SPEEGLE

PROJECT LIGHTING: BRYAN G. SPEEGLE

PROJECT SECURITY: BRYAN G. SPEEGLE

PROJECT ACCESSIBILITY: BRYAN G. SPEEGLE

PROJECT HISTORIC PRESERVATION: BRYAN G. SPEEGLE

PROJECT ENVIRONMENTAL: BRYAN G. SPEEGLE

PROJECT CULTURAL: BRYAN G. SPEEGLE

PROJECT ARCHITECTURAL: BRYAN G. SPEEGLE

PROJECT ENGINEERING: BRYAN G. SPEEGLE

PROJECT CONSTRUCTION: BRYAN G. SPEEGLE

PROJECT MAINTENANCE: BRYAN G. SPEEGLE

PROJECT OPERATIONS: BRYAN G. SPEEGLE

PROJECT DEMOLITION: BRYAN G. SPEEGLE

PROJECT REPAIRS: BRYAN G. SPEEGLE

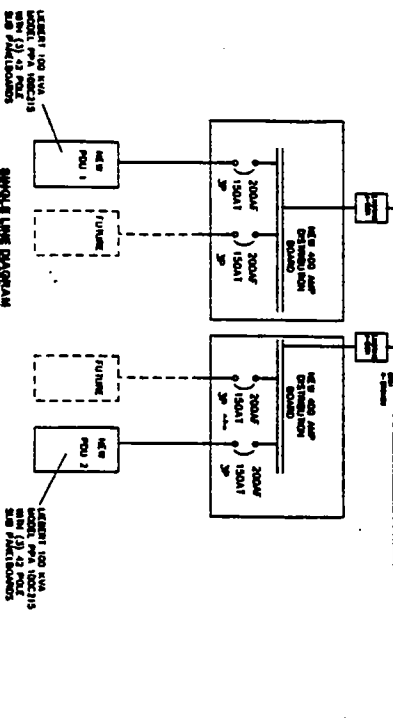
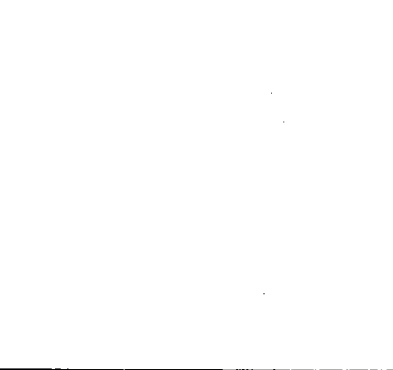
PROJECT RENOVATIONS: BRYAN G. SPEEGLE

NOTES TO SPEC:

1. The project is located on the corner of South 14th Street and South 15th Street, Santa Ana, California 92705-4400.
2. The project is a new building with a total area of approximately 10,000 square feet.
3. The project is to be constructed in accordance with the City of Santa Ana Building Code, 2001 Edition.
4. The project is to be constructed in accordance with the California Building Code, 2001 Edition.
5. The project is to be constructed in accordance with the International Building Code, 2001 Edition.
6. The project is to be constructed in accordance with the California Electrical Code, 2001 Edition.
7. The project is to be constructed in accordance with the California Mechanical Code, 2001 Edition.
8. The project is to be constructed in accordance with the California Plumbing Code, 2001 Edition.
9. The project is to be constructed in accordance with the California Fire Code, 2001 Edition.
10. The project is to be constructed in accordance with the California Accessibility Code, 2001 Edition.
11. The project is to be constructed in accordance with the California Historic Preservation Code, 2001 Edition.
12. The project is to be constructed in accordance with the California Environmental Code, 2001 Edition.
13. The project is to be constructed in accordance with the California Cultural Code, 2001 Edition.
14. The project is to be constructed in accordance with the California Architectural Code, 2001 Edition.
15. The project is to be constructed in accordance with the California Engineering Code, 2001 Edition.
16. The project is to be constructed in accordance with the California Construction Code, 2001 Edition.
17. The project is to be constructed in accordance with the California Maintenance Code, 2001 Edition.
18. The project is to be constructed in accordance with the California Operations Code, 2001 Edition.
19. The project is to be constructed in accordance with the California Demolition Code, 2001 Edition.
20. The project is to be constructed in accordance with the California Repairs Code, 2001 Edition.
21. The project is to be constructed in accordance with the California Renovations Code, 2001 Edition.

ARCHITECTURAL NOTES:

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF SANTA ANA BUILDING CODE, 2001 EDITION.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA BUILDING CODE, 2001 EDITION.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE INTERNATIONAL BUILDING CODE, 2001 EDITION.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA ELECTRICAL CODE, 2001 EDITION.
5. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA MECHANICAL CODE, 2001 EDITION.
6. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA PLUMBING CODE, 2001 EDITION.
7. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA FIRE CODE, 2001 EDITION.
8. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA ACCESSIBILITY CODE, 2001 EDITION.
9. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA HISTORIC PRESERVATION CODE, 2001 EDITION.
10. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL CODE, 2001 EDITION.
11. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA CULTURAL CODE, 2001 EDITION.
12. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA ARCHITECTURAL CODE, 2001 EDITION.
13. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA ENGINEERING CODE, 2001 EDITION.
14. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA CONSTRUCTION CODE, 2001 EDITION.
15. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA MAINTENANCE CODE, 2001 EDITION.
16. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA OPERATIONS CODE, 2001 EDITION.
17. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA DEMOLITION CODE, 2001 EDITION.
18. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA REPAIRS CODE, 2001 EDITION.
19. ALL WORK SHALL BE IN ACCORDANCE WITH THE CALIFORNIA RENOVATIONS CODE, 2001 EDITION.



Los Angeles HIGH TOWER.dgn 5/12/2006 8:07:53 AM

LA County Buildout

| | Original Est. | Current Est. | Difference |
|---|------------------|------------------|-----------------|
| | 2000 | 0 | 2,000 |
| no explanation provided for these items | 1500 | 0 | 1,500 |
| | 5300 | 0 | 5,300 |
| Facility Protection (Modify Halon from 2 Zones to 1 Zone)* | \$ 4,866 | 7,000 | (2,134) |
| General Construction (Demo of Wall and Cleanup) ** | \$ 6,084 | 8,700 | (2,616) |
| Air Conditioning System (Installation) ** | \$ 11,200 | 11,200 | 0 |
| Power Distribution Units (2 x 100 KVA PDU) ** | \$ 21,156 | 23,400 | (2,244) |
| Raised Floor (Fill in Raised Floor Structure in wall area) ** | \$ 1,000 | 1,150 | (150) |
| Project Management ** | \$ 2,500 | 2,500 | 0 |
| Tax (7.75%) | \$ 4,309 | 4,309 | 0 |
| Contingency (10%) | \$ 5,561 | 5,561 | 0 |
| TOTAL BUILDOUT | \$ 65,476 | \$ 63,820 | \$ 1,656 |

ADDITIONAL WORK NOT INCLUDED IN ORIGINAL SCOPE

| | |
|--|------------------|
| Connect Air Handler unit to power source | |
| Connect PDU's to existing J-boxes | |
| Connect new system to Site Scan | |
| Change one existing breaker w/ higher capacity to feed two new PDU's | |
| Change existing feed cables to match new breaker capacity above. | |
| Add 2 new distribution panels to feed four PDU's | |
| Change PDU specifications to higher capacity PDU's | |
| Permit & Inspections | |
| | 29,000 |
| | 2,180 |
| NEW TOTAL PROJECT COST | \$ 95,000 |